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Jenkins to summit demand threatens clash within EEC

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT ROME, March 25

As heads of Government of the Nine celebrated the 20th anniversary of the signature of the Treaty establishing the EEC, intense behind-the-scenes efforts were under way in Rome this evening to avert the outbreak of a public clash between the five smaller countries and their bigger neighbours.

At the heart of the dispute lies stiff French opposition to demands by the smaller governments led by the Dutch, that Mr. Roy Jenkins, President of the European Commission, should be allowed to attend the six-nation economic summit in London in May as the formal representative of the Community.

The controversy was prevented from monopolising the Government leaders' discussions this afternoon, only after Mr. James Callaghan, who is in the chair at the two-day meeting, managed to persuade his colleagues to defer a full-dress debate on the issue until a working dinner this evening.

The pressure to reach a final solution to the dispute has been intensified by a joint agreement among the five smaller countries that they will withhold final approval from decisions on any other matters reached at the meeting until the question of representation at the economic summit has been resolved.

A British Government spokesman said that Mr. Callaghan believed that the EEC leaders were generally determined to find a solution to the problem, though he conceded that they were not yet "out of the woods."

It is likely to prove difficult to devise a formula that will be acceptable to all parties involved and which will not leave a sour after-taste at what was originally supposed to be a solemn and historic occasion.

President Giscard d'Estaing of France has remained apparently unyielding in his opposition to Mr. Jenkins's attendance and the Netherlands have made it plain that they would not be happy with a compromise under which Mr. Callaghan would represent the EEC at the London summit while Mr. Jenkins stayed in Brussels.

Ultimate

The Dutch, however, now seem less likely to carry out their ultimate threat of walking out of the Rome talks if their demand is rejected.

Dutch officials have said that such an outcome could make the Netherlands more reluctant to form a common front with their eight EEC partners in approaching negotiations on such questions as a common commodities fund.

Mr. Jenkins has so far maintained a public silence on the

Cut-price butter plan for Britain

BY ROBIN REEVES BRUSSELS, March 25.

A TEMPORARY 25 per cent reduction in U.K. butter prices for the last two months of this year promises to emerge as part of the EEC farm prices package under negotiation in Brussels.

News of the possible Christmas butter bonus broke as Agriculture Ministers of the Nine began their traditional marathon session today to try to reach agreement this weekend on EEC farm prices for the 1977-78 season, beginning April 1.

Commission officials estimate that the scheme could result in the consumption of an extra 100,000 tonnes of butter, making a substantial inroad into the surplus which could amount to 500,000 tonnes by the end of the year.

The idea was put to the Government in a 30-page memorandum given to the Prime Minister by Mr. David Steel, the Liberal Leader, before the confidence vote. No reaction from the Government is expected until Mr. Michael Foot, Lord President of the Council, meets the Liberals for talks on devolution next week.

Until now the Government has not been prepared to consider dividing up oil revenues, maintaining that oil is a U.K. resource and that money derived from it must be collected and distributed centrally.

Russian deal

The subsidy is seen in Brussels as a determined bid by the Commission to buy off Mr. John Silkin, the Minister of Agriculture, and win his support for the higher EEC farm prices.

For him, the scheme would have the merit of demonstrating that the interests of the Common Market consumer are being put before those of the Soviet Union.

Given the recent heavily subsidised export of 26,000 tonnes of butter to Russia, this has by no means been obvious.

Mr. Finn Gundelach, the Brussels Commissioner for Agriculture, was also expected to table other amendments to the Commission's original farm price recommendations, which propose an average 3 per cent rise in prices combined with a series of adjustments in "green" currencies.

However, today witnessed only a short discussion in the Council before Ministers agreed to adjourn to allow Mr. Silkin, in his capacity as president in office of the Council, to meet each national delegation individually.

On the basis of these bilateral talks he was planning to draw up the traditional compromise aimed at meeting criticisms of the Commission's package.

Liberals urge oil royalties for Scotland

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A PROPOSAL that the Scottish Assembly should get the royalties from all North Sea oil landed in Scotland is one suggestion being put to the Government for a revised devolution Bill by the Liberal Party.

The Liberals say the lack of independent revenue-raising powers was a main drawback of the previous Bill, which they helped kill by voting against the guillotine motion last month. modified legislation was a condition of the agreement which saved the Government on Wednesday.

They say an Assembly in Scotland should be empowered to raise its own income tax and receive royalties at the standard 12 1/2 per cent U.K. rate on all oil coming ashore through pipelines in Scotland. If the amount raised were less than expenditure the shortfall would be met by grants from the Treasury.

The idea was put to the Government in a 30-page memorandum given to the Prime Minister by Mr. David Steel, the Liberal Leader, before the confidence vote. No reaction from the Government is expected until Mr. Michael Foot, Lord President of the Council, meets the Liberals for talks on devolution next week.

Liberal demands had been "tailored" to meet some Government objections and to attract as wide support as possible in the Commons.

Britain must determine NATO control system

BY MALCOLM RUTHERFORD BRUSSELS, March 25.

A DECISION on the future of AWACS, the \$2.4bn NATO airborne warning and control system, lies firmly in the lap of the Cabinet after failure of the special meeting of NATO Defence Ministers to reach agreement here today.

The meeting, called mainly at British insistence, agreed that an early warning system should be established, but could not set an agreed target date earlier than July 1.

This was too late for Mr. Fred Mulley, the Defence Secretary, who reserved the Government's position. So the Cabinet must decide if it should still support AWACS or back the alternative British early warning system, based on the Hawker-Siddeley project run out at the end of this month, and Mr. Mulley hoped NATO's meeting would lead to sufficient agreement for AWACS to allow him to announce the

cancellation of Nimrod in the Commons on Monday.

His proposals for a NATO system based on a mixture of AWACS and Nimrod received no support from other countries.

The Cabinet is thus faced with three possibilities. It could risk dropping Nimrod altogether next week, in hope of a joint decision for AWACS. It could continue to fund Nimrod on a short-term basis, or it could decide to go it alone with the Nimrod programme.

It is unlikely that the Cabinet will make up its mind by Monday, and Mr. Mulley will be obliged to make no more than a holding statement when the defence debate resumes in the Commons.

There remain considerable question marks over the funding. At best, only about 80 per cent of the \$2.4bn total is regarded as anything like secure.

BUSINESS SUMMARY

Equities, gilts and sterling ease

GILTS gave ground, partly because the Bank of England again resisted market pressures towards lower short-term interest rates by holding MLR at 10 1/2 per cent. Falls extended to 1 1/2 and the Government Securities index was down 0.24 at 68.25. The new \$500m stock closed at a premium of 3/32 over the issue price. Back Page

EQUITIES drifted lower. The FT 30-share index lost 3.3 to 430.9. The Dow Jones Industrial Average fell 1.75 to 1,119.4. The Nikkei 225 rose 1.75 to 11,119.4. The Hang Seng rose 1.75 to 1,119.4. The CSE 100 rose 1.75 to 1,119.4. The ASX 200 rose 1.75 to 1,119.4. The NYSE Composite rose 1.75 to 1,119.4. The LSE 100 rose 1.75 to 1,119.4. The FTSE 100 rose 1.75 to 1,119.4. The FTSE 250 rose 1.75 to 1,119.4. The FTSE 350 rose 1.75 to 1,119.4. The FTSE 450 rose 1.75 to 1,119.4. The FTSE 550 rose 1.75 to 1,119.4. The FTSE 650 rose 1.75 to 1,119.4. The FTSE 750 rose 1.75 to 1,119.4. The FTSE 850 rose 1.75 to 1,119.4. The FTSE 950 rose 1.75 to 1,119.4. The FTSE 1050 rose 1.75 to 1,119.4. The FTSE 1150 rose 1.75 to 1,119.4. The FTSE 1250 rose 1.75 to 1,119.4. The FTSE 1350 rose 1.75 to 1,119.4. The FTSE 1450 rose 1.75 to 1,119.4. The FTSE 1550 rose 1.75 to 1,119.4. The FTSE 1650 rose 1.75 to 1,119.4. The FTSE 1750 rose 1.75 to 1,119.4. The FTSE 1850 rose 1.75 to 1,119.4. 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The week in London and New York

Waiting on Mr. Healey

ONLOOKER

In quiet trading—bargains marked were around 6,000 for the second day running—markets drifted lower yesterday leaving the 30-Share index little changed on the account at 418.1. It has now eased 9.3 points in two days, but this has more to do with a lack of interest rather than any decisive trend with the institutions hiding their time ahead of next Tuesday's Budget. For the time being the political situation is back to normal. And if anything Wall Street has taken over as the main disquieting factor with this week's continued declines extending the fall by the Dow Jones since January 1 to about 7 per cent.

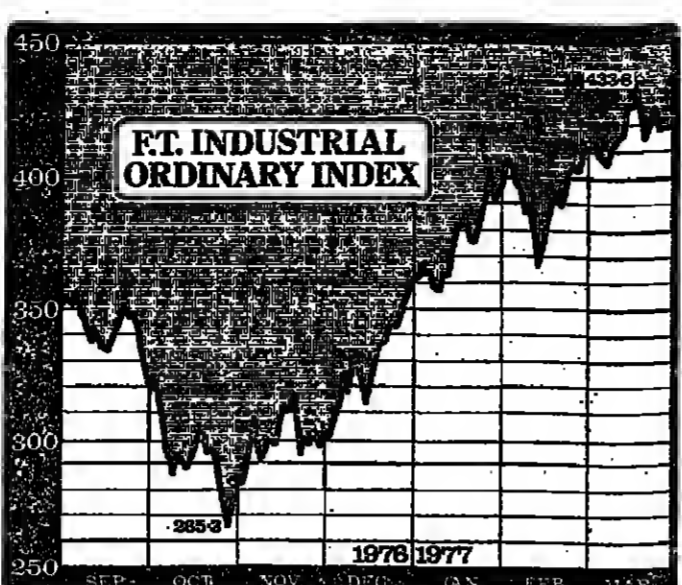
Short interest rates have been edging upwards this week with Treasury bills rising fractionally, and the Bank of England's decision yesterday to hold MLR cannot have been a surprise to the gilt market. Issues moved down from Thursday's 1976-77 peak for our gilt index. The new top—which was heavily oversubscribed and will thus not operate as a tap—opened at a very modest premium closing at 3/32 over the £15 down payment.

Budget pointers

This week's political events have not changed the City's views about the Budget. Some modest deflation through tax cuts ahead of phase three of the wages policy has been expected for some time, and is probably already reflected in share prices. The 30-Share index is up by 13.8 per cent since the pre-budget rally started in mid-February and this accounts for almost a quarter of the total rise from the October 1976 low.

Stores have been one of the strongest sectors with a rise of just under a fifth over the past 54 weeks or (as the table shows) 12.2 per cent over the past four weeks. One broker is projecting a real increase of 3 per cent in consumer spending over the next fiscal year. The market feeling that there will be minimal or no changes in VAT rates lies behind the relative strength in electricals.

Among the non-durables, the breweries have been firm on the view that the Government is unlikely to raise duty on beer ahead of delicate wage negotiations. But spirit and wine drinkers may not be so lucky: the wines and spirits index has underperformed the market. Similarly, our tobacco index has equally been apprehensive. The budget apart, the fall in interest rates has influenced



various sectors and helps to explain the relative strength in construction and fire purchase shares.

More bids

Two new offers and a tricky situation resolved: so ends yet another busy week for the business. The Prudential is the latest insurance company to move in on an investment trust, snatching Standard Trust from the jaws of the British Rail Pension Funds at the eleventh hour and appealing all concerned (except, of course, the railmen). The new offers come from BAT—which has acquired control of F. J. Wilkinson supermarket group—and Pilkington Brothers. Optical engineers Barr and Stroud closed the week 400p higher at 560p following the latter's agreed bid. At 56p, this acquisition compares with the £26m. that Pilkington would have paid for UKO International had the Monopolies Commission assented to the deal.

Elsewhere, Herbert Morris is still refusing to play ball with Babcock and Wilcox and its latest defensive move is the promise of a 20p net dividend for 1976-77, putting the shares at 220p (the Babcock offer is worth 205p) on a 13 1/4 per cent yield. The latest bout in the FMC affair is scheduled to take place next Tuesday when Thomas

declines has accelerated in the current year with an average drop of 14 1/2 per cent in the first two months. So the outlook is bleak for the other cement majors, Bagby Portland and Tunnel. Neither has much involvement in export markets and their Australian operations are unlikely to provide much help in offsetting the weakness of the home market for cement.

Moreover, Tunnel has a March year-end which means that its 1976-77 figures will have taken in the disastrous two months at the start of 1977. This could disrupt its normal seasonal trading pattern which usually favours the second half.

Power assisted

Rolls-Royce has been a strong share price this year rising by more than a third since January 1. Monday's 1976 results helped to explain why with the company powering forward to profits of £3.1m. pre-tax, against £5.8m. That was ahead of most outside estimates, but the performance was not all plain sailing. The diesel operations had a flat year as the result of weak trading at the heavy industrial end (generator motors) and car output rose by only about half of the historic 6 per cent a year growth rate. Moreover, with overseas sales accounting for nearly half of the total it is clear that the exchange rate bonus played a significant part in last year's earnings upturn.

Still, most outsiders expect R-R to produce higher profits again in 1977. Any shareholders with tagging doubts should have a clearer picture by next Tuesday when the annual report will be published.

Damp cement

Associated Portland Cement's 1976 results emerged towards the bottom end of market estimates reflecting a sharp slowdown in the second half when the group was hit by falling deliveries and rapidly rising production costs. Only a 31 per cent rise in exports and a 55 per cent rise in the overseas profit contribution kept the group on the upward track; profits were 15 per cent higher at £45.4m. pre-tax.

Industry cement deliveries fell by around 8 per cent in the U.K. during 1976 and the

Inflation fears

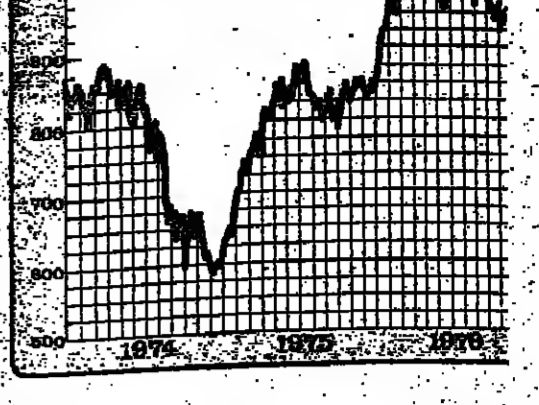
BY JAY PALMER NEW YORK, March 20

WALL STREET'S share prices, turn will eventually necessitate as measured by the Dow Jones Industrial Index, have now fallen more than 36 points on six straight trading sessions. The level of trading volume during this bear trend has remained modest, even in terms of the generally lacklustre activity seen over the past few months and in terms of the immediate outlook there seems little scope for optimism.

Many outside factors have been accused of contributing to the general mood of disenchantment including the fighting in Zaire, the President's uninspiring Press conference earlier this week and concern over this Administration's long awaited energy policy.

These concerns are real enough. Nevertheless, when one gets down to fundamentals, it becomes evident that pessimism before have analysts, traders and market watchers been as unanimous as they are to-day over the main reason for the market's weakness—a strong fear that current policies will inevitably spark off sooner or later massive inflation which

DOW JONES INDEX Industrial Averages



turn will eventually necessitate a tough monetary clampdown. This current market slide, even if it was not sparked off by inflation fears, certainly draw momentum from the news a week ago that February consumer prices skyrocketed at an annual rate of 12 per cent. Arthur Burns's subsequent statement that the Federal Reserve would allow a large expansion of money supply to accommodate the tax rebate was a move in the right direction but still not enough to calm fears. Above and beyond the Carter Administration's stimulatory policies, inflation worries many commentators can see, without really trying, considerable evidence to support their doom-laden forecasts. Prices of many key raw commodities, including aluminum, copper, tin and some fibres, have all gone up in recent weeks while a preliminary study of 200 companies shows that a full 320 lifted their charges this year. The announcement this week that three of New York City's largest municipal pension funds has switched a very large part of their equity investments to indexing served to focus an increasing amount of attention on this latest growing market. Indexing, in its simplest form, means buying shares to make a portfolio exactly proportional in make-up to a certain specified market indicator. In the case of NYC, the Stanley and Poor's 500 stock index. The most popular choice of index for funds looking at this index has been the S and P 500, which rather like the FT 500, excludes the utilities. The S and P Fund is weighted to certain shares and any continuing of this trend is likely to see these remain relatively performers. IBM is the index, at 6 per cent, is followed, by American Telephone, Kodak General Elect (Ohio), Dow and Gamble. The Dow Industri

Mining Gold, bucket and gho

BY KENNETH MARSTON, MINING EDITOR

IN JOHANNESBURG a fortnight ago I was in an office in the Commissioner-Fox Street area talking to leading mining men on the inevitable subject of gold prices. At the beginning of the year, they told me, the South African industry had resigned itself to the prospect of a 1977 price in the narrow range of \$130 to \$140 per ounce. While I was sitting there the metal was trading at around \$146 and there were smiles all round. Suddenly, the office door opened and a very leading figure indeed appeared. He had just landed at Jan Smuts airport from a visit to Washington and his message was that the U.S. administration, having earlier baited a runaway gold price was now prepared to countenance a gradual recovery. The smiles broadened.

This week gold has been trading at over \$153—its highest since September 1975—and we have had the German Deugga metals trading and processing group forecasting that the price could reach \$170 within the next 12 months. But in Johannesburg office the smiles will have given way to thoughtful frowns. Nobody in the gold mining industry wants to see a repetition of the 1974-75 experience when the price galloped up to within reaching distance of \$200 only to fall heavily, leaving behind it a greatly reduced demand from the jewellery trade and inflated wage and other mining costs. The present level is high enough for the time being. After all, it compares with the average received by the industry last year of only \$121. Of course, operating costs continue to rise but, as Mr. Dennis Etheridge has pointed out in the annual reports this week of Vale, Anglo and Western Deep Levels, South Africa's devaluation in September 1975 has been helping mine revenue.

While the average price received in 1975 was as high as \$156 for these two mines and that for 1976 dropped to only \$119, their revenue in South African rands fell by only 9 per cent, because of devaluation. So the chairman of Anglo American Gold Investment, Mr. J. Ogilvie Thompson, has said this week that barring any political or social upsets this high gold mining investment company "can expect a reasonable year and a sound future."

TIN OUTPUTS COMPARED

	Feb. 1977	Jan. 1977
	Tonnes	Tonnes
Anal. of Nigeria (tin)	180	223
Anal. of Nigeria (columbite)	15	25
Atkani	275	276
Ayer Hitam	328	303
Kapitang	1	1
Bislich Jantar (tin)	1	1
Bislich Jantar (columbite)	1	1
CRM Sri Timan	1372	1504
Ex Lands Nigeria	86	79
Gold and Base (tin)	1	1
Gold and Base (columbite)	1	1
Gopeng	1682	1601
Idris	261	281
Kaduna Syndicate	15	14
Kanina	15	14
Kent (FMS)	102	173
Killinghall	692	78
Kinta Kelas	414	491
Kuala Lumpur	27	28
Langkat	15	14
Malayan	258	232
Pahang	163	188
Pengkalen	212	151
Perak	694	874
Petalong	67	51
Rahman	1	1
Sarawak Far East	1	1
St. Raman (South Crofty)	1	1
Southern Kinta	131	152
Southern Malay	152	176
Sungai Besi	108	126
Sungai Bujong	104	128
Sungai Kinta	25	26
Trompsburg	167	152
Ulu Tin of Nigeria (tin)	1	1
Wheat-Jane	85	79

There is a friendly rivalry to put it no higher, between Elandsrand and the neighbouring Deelkraal gold mine of the Consolidated Gold Fields group. The latter is due to reach production at about the same time. Heister is determined to be the first to pour a bar of gold. I hope he will win if only because I don't want to go down again in that messy bucket with a furious manager. Further from the production stage are America's Phelps Dodge and Newmont Mining with their big base metal finds in the mineral-rich, but remote, desert area of South Africa's North West Cape province. As I reported from Johannesburg, Phelps has completed its feasibility studies of one out of three big copper-lead-zinc-silver finds and is now seeking partners. The latest news is that Newmont's O'okiep subsidiary is also preparing to go ahead with a large mining operation there. Attention is now being turned to financing of about R150m. rights and mineral deposits for an annual production rate of about 3m. tonnes bearing lead and silver lies in its mine. To put it in perspective, it is estimated that the world's tin production is about 120,000 tonnes. The Phelps Dodge mine would produce about 10 per cent of this.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1977 High	1977 Low
F.T. Ind. Ord. Index	418.1	-10.4	433.8	265.3
Gold Mines Index	131.2	-7.3	246.9	78.8
Barr & Stroud	560	+400	562	130
Corson & Holdingsworth	96	+10	101	30
BP	812	-54	936	780
Camelia Invsts.	165	+22	165	95
De La Rue	380	+30	383	235
Gardiner (L)	192	+17	192	115
Gold Mines Kalgoolie	43	+8	50	18
Home Counties Newspapers	42	+7	44	30
Longbourne Holdings	195	+25	200	88
Morris (Herbert)	229	+38	229	131
Pacific Copper	40	+10	50	20
Peachey Property	294	-83	49	23
Pork Farms	195	+43	195	124
Press (William)	594	+71	651	24
Ratners	85	+11	89	53
Standard Trust	149	+23	150	102
Tace	17	+7	17	9
Wallis (F. J.)	64	+17	66	29

U.K. INDICES

Average week	Mar. 25	Mar. 18	Mar. 11
Govt. Secs.	69.22	68.89	66.73
Fixed interest	68.22	67.42	65.31
Indust. Ord.	420.1	429.4	410.2
Gold Mines	135.8	132.7	121.9
Dealings mtd.	6.532	8.274	7.358

Capital Gds.	Consumer (Durable)	Cons. (Non-Durable)
144.28	148.31	151.94
164.04	148.31	151.94
158.07	159.18	151.94
166.83	167.84	160.37
190.03	192.69	185.47
134.95	142.59	133.53
176.41	179.05	172.44
54.90	54.31	52.16
52.45	51.07	50.35

TV Radio

and Weather for Scotland. Northern Ireland—5.00-3.10 p.m. Scoreboard. 5.40-5.55 Northern Ireland News. 5.55-6.00 News for Northern Ireland.

BBC 2

7.40 a.m. Open University. 2.50 p.m. Saturday Cinema: 'Ranch Notorious', starring Marlene Dietrich. 4.15 Start the Clock with Brian 4.45 Look Stranger. 5.10 Horizon. 6.00 Open Door. 6.30 Sight and Sound in Concert joins Radio 1 for rock music with Graham Parker and the Rumour. 7.30 News and Sport. 7.40 M*A*S*H. 8.05 Network. 8.35 Film International: 'Lancelotti of the Lake'. 9.55 The News. 10.15 Arts - In Performance: Robin Ray introduces the Rostropovich-Bernstein Gala Concert. 11.15 News on 2. 11.30 World of Sport: Tennis Championships. 12.00 Midnight Movie: 'The Big Heat', starring Glenn Ford. 6.30 Dr. Who. 6.55 Saturday Night at the Movies: 'Roustabout', starring Elvis Presley. 8.35 More of Dick Emery. 9.30 Serpico. 10.10 News. 10.30 Match of the Day. 11.30 Saturday Night at the Mill. All Regions as BBC 1 except at the following times:— Wales—8.50-9.15 a.m. Telfant. 12.10 a.m. News and Weather for Wales. Scotland—4.55-5.10 p.m. Scoreboard. 5.40-5.55 Scoreboard. 10.30 Sportsweek. 10.50-11.20 This is Sport Morrison. 12.10 a.m. News

International Sports Special (part 2): Speedway—Daily Express Spring Classic from Nettleton Stadium. 4.30 Half-time Soccer Round-up: 4.00 Wrestling; 4.50 Results Service. 5.05 News from ITN. 5.15 The Muppet Show. 5.45 Happy Days. 6.15 Celebrity Squares. 7.00 News. 8.00 Rich Man, Poor Man—Book II. 8.45 Yes—Honesty. 10.15 News. 10.30 All You Need Is Love. 11.30 The Collaborators. 12.25 a.m. Close: Rosemary Simonds reads extracts from 'Love Reaches Out' by Ulrich Schaffer. All IBA Regions as London except at the following times:— ANGLIA 9.15 a.m. Plain Sailing. 9.40 Be a Sport with Brendan Foster. 10.15 The News. 10.30 The Footballer. 11.05 The News. 11.30 The Footballer. 11.35 The News. 11.45 The Footballer. 12.30 a.m. At the End of the Day.

ATV MIDLANDS 9.15 a.m. Plain Sailing. 9.40 Be a Sport with Brendan Foster. 10.15 The News. 10.30 The Footballer. 11.05 The News. 11.30 The Footballer. 11.35 The News. 11.45 The Footballer. 12.30 a.m. At the End of the Day.

BORDER

9.00 a.m. Be a Sport with Brendan Foster. 9.30 The Footballer. 10.15 The News. 10.30 The Footballer. 11.05 The News. 11.30 The Footballer. 11.35 The News. 11.45 The Footballer. 12.30 a.m. At the End of the Day.

GRANADA 9.15 a.m. Plain Sailing. 9.40 Be a Sport with Brendan Foster. 10.15 The News. 10.30 The Footballer. 11.05 The News. 11.30 The Footballer. 11.35 The News. 11.45 The Footballer. 12.30 a.m. At the End of the Day.

SCOTTISH 9.15 a.m. Plain Sailing. 9.40 Be a Sport with Brendan Foster. 10.15 The News. 10.30 The Footballer. 11.05 The News. 11.30 The Footballer. 11.35 The News. 11.45 The Footballer. 12.30 a.m. At the End of the Day.

SOUTHERN 9.15 a.m. Plain Sailing. 9.40 Be a Sport with Brendan Foster. 10.15 The News. 10.30 The Footballer. 11.05 The News. 11.30 The Footballer. 11.35 The News. 11.45 The Footballer. 12.30 a.m. At the End of the Day.

TYNE TEES 9.15 a.m. Plain Sailing. 9.40 Be a Sport with Brendan Foster. 10.15 The News. 10.30 The Footballer. 11.05 The News. 11.30 The Footballer. 11.35 The News. 11.45 The Footballer. 12.30 a.m. At the End of the Day.

WESTWARD 9.15 a.m. Plain Sailing. 9.40 Be a Sport with Brendan Foster. 10.15 The News. 10.30 The Footballer. 11.05 The News. 11.30 The Footballer. 11.35 The News. 11.45 The Footballer. 12.30 a.m. At the End of the Day.

YORKSHIRE 9.15 a.m. Plain Sailing. 9.40 Be a Sport with Brendan Foster. 10.15 The News. 10.30 The Footballer. 11.05 The News. 11.30 The Footballer. 11.35 The News. 11.45 The Footballer. 12.30 a.m. At the End of the Day.

6.55 Saturday Night at the Movies: 'Roustabout', starring Elvis Presley.

11.30 World of Sport: Tennis Championships.

12.30 a.m. At the End of the Day.

12.30 a.m. At the End of the Day.

12.30 a.m. At the End of the Day.

12.30 a.m. At the End of the Day.

12.30 a.m. At the End of the Day.

Our savings and investments

Return to cooling off

SHORT

MIGHT remember the Scott Commission reported on assurance in unended, among the pros of life assurance a statutory notice we main features of being sold to them policyholder should a limited period to the purchase and in the contract if without penalty.

of the Insur- Act 1974 em- cretary of State for olement these pro- of Regulation, 74 they have been Now the cooling- are being warmed the Department of that the DoT has consultative doc- out its latest ideas y notices and a er to the insur- and to consumer- ing their views be enactment of So perhaps it is o consider what sals involve and purpose is.

object is to curb of high pressure and to ensure that is taking out the life contract. At rst opportunity the of reading the onditions of a con- he receives the ent. Usually this ensible, but, even understand it and is not what he is too late to do out changing or ight incurring a lity.

oves are supposed e investor to read ward terms what to buy and then mind without any be can no longer was sold the wrong ily under duress, ould make clear provided, the level

With these bonds investment is made at the price ruling when the sale is made. If the price moves dramatically during the cooling-off period, as it can with equity linked bonds, the investor takes up the contract if the price has moved ahead, but cancels it and starts again if it has dropped. The DoT propose that the cooling-off period will only apply where there has been a door-step sale, though its definition of this event is rather woolly.

The DoT is taking the right course in ascertaining the views of the insurance industry and consumer interests before drawing up the Regulations. But I am puzzled that it has not made the document public so that consumers themselves can present their views. I am assured that anyone can make their views known to the authorities, the address is Insurance Division, 4, Department of Trade, Sanctuary Buildings, Great Smith Street, London SW1P 3DB, and the deadline is the end of April.

Incidentally, it would appear that the DoT has made one glaring omission in the document that needs clarification. It states that the Statutory notice should contain information as to what happens if the investor needs to cash in his policy before it matures or if he stops paying premiums. It also adds that this information is to be used only in the case of regular premium policies providing benefits other than in the event of death. The objective of this is to draw the investor's attention to surrender penalties.

But the biggest penalties occur on whole-life contracts, especially non-profit, and more investors have been caught on this than on any other type. Since a whole-life contract only pays benefits on death, therefore under these proposals the life company would be exempt from making any statement. I imagine that what the DoT meant was that term assurances were to be exempt from this particular provision. This point needs to be clarified.

Change in rates

ON THURSDAY the new tap stock, the £800m, 12½ per cent, 1992, closed heavily oversubscribed. Although the issue price of 99¢ per cent, was pitched just enough below the market to attract short-term profit seekers, a large part of the stock's popularity reflects the market's view on interest rate trends. It is generally felt that they have further to fall though probably more gradually than in the past couple of months, especially with the Bank of England holding Minimum Lending Rate on a tighter rein.

How short a time it is since MLR stood at 15 per cent. Now it is 10½ per cent and would have hit 10 per cent had the Bank not intervened to halve the drop which market forces dictated. Base rate stands at the same level, 10½ per cent, a figure set before the latest drop in MLR, so it is likely to shade down a little in the near future.

Most other investment returns fell quickly in sympathy with MLR. Only building society investment and National Savings Bank accounts are in the money at the moment, and both are likely to come into line shortly. The building societies

Hopes on taxes

BY CHRISTOPHER HILL

and that Stage 3 of the incomes policy was far more important. What they hope for from the Budget is some concession on dividend limitation.

Among the pension funds, one leading foe is "not expecting much," for it is reckoned that the Chancellor will be concentrating on individual relief. But they, too, favour concessions on dividend restraint and also hope that the surrender on the investment currency premium for overseas investment will be either abolished or mitigated. The pension fund manager added a warning that if the standard rate of income tax were to be cut, pension funds would lose out since they claim back tax at

the standard rate, unless dividend limitations were adjusted.

As for the building societies, they are in a rather complicated position, acting as both receivers of investment money and lenders. In their receiving role they would like to see the abolition of the surcharge on investment income (a pretty general wish) because it discourages older people with high investment income tax from leaving too much in building societies and lures them into low-coupon gilts. As lenders they would not like to see any interference with higher rate tax relief on mortgages in the Budget.

The final word came from Nicholas Goodison, chairman of the Stock Exchange, who said that he would like to see the 15 per cent investment charge go for a start as well as reduction in taxes generally. He would also like to see something done to alleviate capital taxes.

TABLE OF ACTUAL RETURNS AT VARIOUS TAX RATES

Investment	Tax rate		
	Nil %	35 %	50 %
NATIONAL SAVINGS			
16th Savings Certificate at maturity (4 years)	8.8	8.8	8.8
14th Savings Certificate at maturity (4 years)	7.6	7.6	7.6
Jubilee Bonds at maturity (5 years)	9.1	6.2	5.0
National Savings Bank Ord. Account*	5.0*	5.0*	5.0*
National Savings Bank Inv. Account	10.0	6.5	5.0
BUILDING SOCIETIES			
Ordinary shares	7.8	7.8	6.0
Subscription shares	9.25	9.25	7.1
Three year term	8.5-8.8	8.5-8.8	6.5-6.8
CLEARING BANKS			
Deposits	5-8	3.25-5.2	2.5-4
One year term	10	6.5	5.0
LOCAL AUTHORITIES			
Yearling bonds	10.5	6.8	5.25
Two-three year loans	12-12.5	7.8-8.1	6-6.25
GILTS			
Exchequer 12½pc 1981	10.78	6.1	5.3
Treasury 3pc 1982	6.4	5.2	5.1
Treasury 15½pc 1996	13.4	8.2	7.0

Those investors who went into them in October when we discussed their attractions, have been able to sit back and watch a remarkable capital appreciation. On top of that they have looked on content as prices came down from the near 16 per cent available at that time.

The drop has been dramatic indeed. At the short end the 3 per cent, 1982 stock issued in October provided a guaranteed 43 per cent, tax-free capital gain at the end of five years, when it was issued at 870 per cent. To-day it stands at 858.8 and the capital gain has been shaved to 18.6 per cent. A favourite long-term gilt is the 15½ per cent, 1988, on Christmas Eve it was offering a redemption yield of 15.6 per cent, to-day it yields 13.42 per cent.

This is obviously still an attractive yield and, indeed, gilts have not yet reached the end of their run though the spurts they have put on over the past two months are unlikely to be repeated. If interest rates continue to fall — a good bet — there will be more capital gains to come from this source. However, there are the higher purchase costs to be taken into account if gilts are bought through the Post Office (the most popular method of buying with the small investor).

CHRISTINE MOIR

Views on performance

IT trust statistics looks sluggish over four years e, they come thick and do not neces- agree. Thus, after contribution from International last week we have the Planned Savings with a "new view performance." This producing weighted figures which regress of the man- groups (combining same management), indicate that over m — seven years— healthier' the immediate prospect is better but can it last? In this context I found it depressing to read in Synergis- tyndall's annual that "based on languishes near the table of the major trends, 1977 is the year to can- 0 invested in its cel regular purchase plans and ing to only £111.3 to establish a programme to years. Tyndall also liquidate U.K. oriented trusts."

Gold seems to be a bit of a sideshow at the moment but price has been making remark- able progress. By Thursday this week it was up to \$152½ per oz. and was pushing its all-time sterling "high" of £89. This means that Kruggerands are now retailing at around £92 per coin domestically and, with the premium over gold content still around the 3 per cent mark, dealers are hoping that the mar- gin will widen if the gold price continues to go up. The "high" for Kruggerands was £100 a coin in late 1974 and at one time the premium over gold content was over 20 per cent. With the number of coins in circula- tion in the U.K. estimated at 1½-2m. — and no fresh supplies in view following the Govern- ment's clampdown on imports — it looks as if it might not take long for demand to exceed supply.

CHRISTOPHER HILL

"When I go, I'm going to do it in style."

"All my life I've worked so that I wouldn't have to work for the rest of my life. I kept telling myself that when I left the business I was going to lead the life of Riley. After all I had given to the company I'd founded, it was about time it gave something back. Three years ago I decided to act my age and think about retiring. But since I'd never done anything about a pension, I didn't have anything to retire with. I went to my insurance broker and asked him what to do. He gave me a copy of NPI's booklet on their Capital Pension Plan. It explained how in only 3 or 4 years I could get a considerable tax free lump sum plus a good pension. All the contributions were paid by the company and ranked for full corporation tax relief. This year, when I finally did go, NPI presented me with a cheque for £22,500 as a reward for my foresight. On top of which there's a pension of £7,500 a year. And that's what I call style." If this story rings a bell with you, see your broker or send for NPI's booklet 'Capital Pension Plan'. It's completely free.

To: Norman Worley, National Provident Institution, 48 Grosvenor Street, London EC2V 0BB. Please send me details of your Capital Pension Plan.

Name _____
Address _____

npi

National Provident Institution is a mutual life assurance company founded in 1835. It now has 125,000 policyholders and over £200,000,000 assets.

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The instant marketability of very large sums and low dealing expenses in the gilt-edged market are factors which make the investment advisers to take full advantage of price movements.

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Remember the price of units and the income from them can go down as well as up.

You should regard your investment as long term.

4% to 8% Tax Paid "Income"
The net income from this fund will not be distributed but reinvested in the Fund so adding to the value of the units. The number of units will not change.

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Target Trust Managers Ltd., Dept. T, Target House, Gatehouse Road, Aylesbury, Bucks HP19 3EB
Registered in England No. 3475497 19 Avenue Burdett, London EC2A 7JY

James in Full (Mr, Mrs, Miss)
Address _____

Finance and the family

Bankruptcy and a will

BY OUR LEGAL STAFF

My son has been made bankrupt and I am concerned to safeguard the property I wish to leave to him. Is it possible for me to arrange this, in case I die before he is discharged? You can leave your property by will "on protective trusts," and provided your will makes it clear that you are aware that your son is bankrupt, and that the discretionary trusts imported by the use of that phrase would operate at once if you die before your son is discharged, the trustee in bankruptcy will not obtain any of your estate. It would be wise to have a solicitor draft your will for you.

Acceptance by conduct

The trustees of a family trust who have discretion offered me a portion of the estate in return for my doing certain things, which I have done. Now the trustees want to back out and the problem is that the solicitor who wrote setting out the details of the offer, put "without prejudice" at the top of the letter. What please is my legal position? You cannot rely on an offer made "without prejudice" unless you can show that the offer has been accepted so as to form a contract. Acceptance by conduct, though rare, is possible.

If, therefore, your performance was all that had to be done on your side if the bargain were struck it could well be possible to say that the offer had been accepted by your conduct and has thus matured into a full, enforceable contract.

Capital gains and disposals

(a) I hold some 2,500 shares in Bowater which show a gain on the purchase price. I am aware that if my only disposal in the year is less than £1,000 of these, no capital gains tax would be payable, but what happens when the rest are sold?

(b) I have recently accepted the offer for my 1,000 shares in William Hudson on which I show a substantial loss. If I also dispose of enough Bowater shares to keep the total receipts below £1,000, what then is the position? What do you think I should do?

(c) The gain or loss on a future Bowater disposal will be calculated in the usual way; that fact that the gain on the 1876-77 part disposal escapes tax does not affect the basis of calculation for subsequent disposals—part or full.

(d) In a year where the total relevant proceeds are less than £1,001, any net gain escapes tax. If there is a net loss, the fact that the total proceeds are less

than £1,001 has no consequence. From what you say, therefore, it might be advantageous to postpone the sale of the Bowater shares until after April 5 (subject to price fluctuations, of course), so that the Williams Hudson loss leapfrogs 1977-78 and is available against gains in 1978-79 et seq.

If the total proceeds of disposals in 1977-78 were unexpectedly inflated by a cash takeover, the postponement might prove fruitless, of course. On balance, you may well decide to take a certain tax-free gain on the Bowater shares now.

The name of a trust

In 1967 a Mr. X left £50 to his church council and this was invested. Last year £25 was handed to me to add to the X memorial fund and now a letter has been received from a solicitor asking for the name of the "trust" to which can be sent a further sum in his memory. I was asked to inquire as to the procedure for forming a trust and as to what name would be appropriate. What, please, do you advise?

There is no particular significance in the name by which you designate a fund which you hold in trust: so long as the trust is not a registered charity or a corporate body its name is merely a convenient means of

identification. As the money you are administering here are not very considerable you may think it best to leave them in the names of individual trustees, two or more in number, and designate the fund by whatever name is convenient.

Outside the rent acts

Referring to your recent replies under the heading "Outside the Rent Acts, if a tenant shares with the landlord, do they have to share the whole of the accommodation or would the tenant's rights under the Acts be excluded if only the kitchen and bathroom were shared?

The tenancy will not be excluded from the Rent Acts by sharing with the landlord accommodation which is only ancillary. Thus, unless the kitchen is in fact a living room, the Rent Acts will apply. Even if the sharing is otherwise sufficient to exclude the Rent Acts, Section 101 of the Rent Act, 1968, may afford some protection.

No acquisition of interest

Following the death of my father, I have acquired the house in which my step-mother lives. I have told her she can stay there for life provided she does not re-marry, or have lodgers. Do you think I can thus avoid her acquiring rights under the Rent Acts, or any others for that matter?

What should I do about rates and maintenance? The proposals which you outline ought not to prevent your achieving the objects of not having your step-mother as a tenant and preventing her from acquiring an interest in the property. There would be no objection to your insisting that your step-mother pay all outgoings herself as a condition of her being allowed to reside in the property.

Tenants not in occupation

I am shortly vacating my flat for which I pay rent weekly and the tenant of the next flat has asked me to continue to pay the rent, which, of course, he will refund to me, the object being to avoid being troubled by new, unknown tenants. What, please, is the legal standing of such an arrangement?

From your point of view there is no objection to your pursuing the course suggested by your neighbour. However, your landlord will be able to terminate your tenancy if he learns that you are not in actual occupation.

Assessment on trustees

I am trustee and beneficiary of a trust which owns office and shop properties, the managers being estate agents who deduct tax from the rents received. Can the trustees instruct them to result the rents gross, leaving the

beneficiaries to be responsible for their own tax?

Presumably the present position is that the schedule A assessments are made on the trustees; the assessment notices being served on the senior trustee (who then instructs the estate agents to settle the liabilities out of funds which they have retained for the purpose). No doubt it is the senior trustee who prepares and signs the trust's tax returns, appeals against assessments when necessary, and agrees the revision of each year's assessment after April 5. From what you say, this does not appear to be a case in which the trustees can escape responsibility under section 76 of the Taxes Management Act 1970. Even if section 76 were applied, the result would be likely to involve more trouble than leaving things as they are.

Retention of documents

Referring to our reply under the heading "Retention of documents (March 5)" a reader has written to say that it is important that old deeds should not actually be destroyed and that they should ultimately be handed to Clerks of County Councils who are happy to receive and preserve such documents.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Insurance

Returns on policy loans

BY JOHN PHILIP

THE SURRENDER VALUE of a traditional whole life for generally changed, so the endowment assurance is small in the early policy years, and often the policyholder who looks for his money back on discontinuance is disappointed at the amount his insurers are prepared to pay up. Through a lot of criticism has recently been levelled at the life offices, and many people who ought to know better, the life offices have quite rightly stood firm and reasserted that their prime duty is to make sure that they have funds adequate to meet all their long-term liabilities, to pay even into the next century those long-term policyholders who are custodians. Moreover, my guess is that those Governmental supervisors who are now concerned with the solvency and viability of insurance companies would become very anxious if offices generally were to change long established practice and were to begin to quote substantially increased surrender values.

Even for the long-term life policyholder who has no thought of surrender—and who incidentally is still very much in the majority—the surrender value of his policy may be important. He, for example, he wants to raise a loan, for anything from home improvement or children's school fees to paying for a summer holiday. Most life offices are still normally prepared to make loans to policyholders, but since the extinction of tax relief on loan interest other than for house purchase or home improvement, I think that life offices are often overlooked as a source of personal finance, other than for house purchase.

Life office practice is to calculate the policy surrender value and then to allow the policyholder to borrow a percentage of that value. Exceptionally a handful of companies will offer 100 per cent of surrender value but the majority fix on 90 per cent as their maximum, though there are some whose percentage is less, ranging down to 75 per cent. So any prospective policyholder thinking that in a few years' time he might want to raise an insurance loan does well to explore both the level of surrender values and the loan percentages of the companies whose premium maturity terms are most attractive.

Why only 90 per cent or less of surrender value? The answer is that almost all insurers reckon they need that 10 per cent or so to cover one year's interest on the loan in case of default and to provide for keeping the policy in force for one year under the normal non-foreclosure rules. Most insurers fix a minimum amount below which they will not make policy loans—having regard to the servicing cost of this kind of transaction, without any prior knowledge I would have expected that in these days a two's time, it would be impossible for a policyholder to raise less than £100, but now, while few insurers have no minimum limit whatever, there are some who will countenance £10, others £25 and the majority will agree on £50 upwards.

The rate of interest paid by the borrower used to be controlled for the whole period of the loan by the rate fixed by insurers at the time of the transaction. But nowadays, with the considerable fluctuation there



Sport Fidelity

Education Now you see it . . .

IT SEEMS sadly typical of this country's recent behaviour that just as comprehensive schools have become dominant, public opinion should start to turn against them. The schools now account for more than three-quarters of State secondary pupils, and there is legislation to promote them further. But the signs of public dislike are now abroad, and not only in this week's chance combination of BBC Television's film at the Faraday school in Acton and the publishing of the not-always-scrupulous anti-comprehensive arguments of the latest Black Paper.

If, as I suspect, comprehensive reorganisation is to prove yet another case in which the soft-headedness that accompanied the post-war affluence has saddled the public with something we neither want nor

can get rid of, the pity would be enough. But it would be worse if we failed to learn from the mistake, and I fear that we are very liable to do so.

A tide of impotent disparagement of comprehensives in general could easily be just as effective as the previous tide of vain enthusiasm in obscuring the fact that the change of secondary school structure has very little relevance to the real problems of education in this country. Indeed, the effects of continued pseudo-argument about the structure could well go farther, blinding us to the main educational lesson that the reorganisation surely offers.

To take up the offer, one needs only to remember clearly. From what I know about comprehensive schools in the poorer areas of towns, I do not think that Monday's television film was unwarrantably slanted—as education interest groups have claimed—to emphasise the slipshod. To be sure, schools have always had unruly pupils and incapable teachers; the independent and direct-grant schools which I attended in the 1940s and 1950s were no exception. It is equally sure, however, that by comparison with those schools the unruliness and incapability at the Faraday School and other similarly

placed comprehensives I have observed, is appalling. But that is not the point. The point, and the main lesson, lies in the fact that I would rather have seen my own children at a school like Faraday than at the execrable secondary-modern school that would have been the fate of my 11-plus-failure eldest had he not been lucky enough to have concerned parents able to afford private schooling.

The nastiness has been there all along. The main difference is that where it previously went unnoticed by the bulk of better-off, articulate people, comprehensive reorganisation has now forced it into their view.

True, the conditions prevailing in too many comprehensives are nastier than they need be.

But the reasons are surely independent of the comprehensive structure. They, too, seem rooted in the soft-headedness of those affluent years: in the general encouragement given to primary schools to look on the basic skills of literacy and numeracy as unimportant; in the rush of younger teachers to abandon the authoritative stance; and attempt to control a class of 30 or more youngsters by brotherly or sisterly persuasion, which only a near genius can do.

These faults could be corrected by measures such as the testing of basic standards and the imposition of a school-based apprenticeship system of initial training for teachers, such as are recommended by Professor Brian Cox and Dr. Rhodes

Boyson, the editors of Black Paper 1977. But even if it were possible, the return to the old "grammar schools and others" secondary regime which the Black Paper fraternity evidently advocate would do but merely re-disguise the real problem. It is that even if standards of literacy and numeracy were sharply improved, our education system would still have no product suitable for the less academically inclined children who form the majority of the school population. And if the only benefit of comprehensive schooling is to force the country to recognise that, and overcome it, then the reorganisation will have been worldwide.

MICHAEL DIXON

Stamps Primitive charm

A DECADE AFTER Britain introduced the Penny Black, a handful of British colonies had emulated the mother country in their own fashion and adopted adhesive stamps of a sort. These crude makeshifts are known collectively as the Primitives and, what they may lack in aesthetic qualities and technical perfection is more than balanced by the romance surrounding their birth, their great rarity and the colourful legends which have grown up around them over the past century and a quarter.

Doyen of this select band is the Mauritius "Post Office" issue of 1847. Barely a dozen each of the penny and two-penny stamps are known and a relatively poor specimen of the former fetched £50,000 at Stanley Gibbons last year. The Mauritius stamps had the merit of imitating the design of the British stamps and Bernard's engraving of Queen Victoria's profile stands favourably comparison with many of the other Primitives.

Among the most basic of these stamps were those produced by William B. Perot, postmaster of Hamilton, Bermuda from 1818

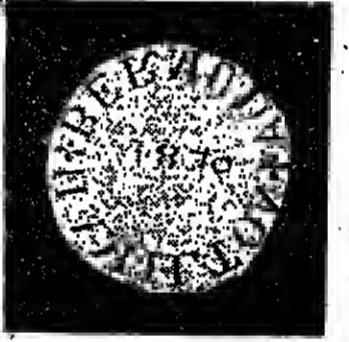
to 1862. The postage paid on local mail was regarded as the postmaster's perquisite and to facilitate mail handling when he was otherwise engaged in his garden, Perot set up a mail-box into which people dropped their letters with the penny fee. Unfortunately the citizens of Hamilton were not all as honest as they might have been, and frequently the number of letters exceeded the money in the box. As Perot was obliged to deliver the letters at a personal loss, he devised a form of stamp which he then sold to his customers. Henceforth, any letters in the mail-box without one of these stamps was treated as unpaid.

Perot's stamps consisted of impressions made with his circular postmark, the slugs indicating the day and month having first been removed. Above and below the date he inserted in manuscript "one penny" and his signature respectively. Only 11 examples of the Perot stamps have been discovered up till now, four in black and 7 in red. Of the black stamps, two are dated 1848 and two 1849. One of the latter was found in 1904 and passed into

the hands of Count Ferrari. It fetched the equivalent of £287 when auctioned in 1922, but the purchaser, Arthur Hind, actually lost on the deal since it fetched only £165 when Harmer's auctioned his collection in 1934.

It was purchased by Alfred Caspary for an undisclosed sum and then sold to Claude Cartier in 1957. It is one of the gems which come under the hammer at Stanley Gibbons on April 21 when a portion of the Cartier collection goes on sale. Considering its extreme rarity the stamp's estimate of £30,000 is not excessive.

The late Claude Cartier was born in November 1925 in Budapest of a French father and Hungarian mother. In 1941 he went to the United States with his parents and in 1949 entered the family jewellery business. In the 1950s stamp collecting became one of his passions, along with shooting and international polo-playing. In 1962 he resigned, took up residence in Switzerland. With increased leisure he developed his interest in stamps and began to concentrate on



the Primitives. In this he was fortunate to have the advice and assistance of A. L. Michael, the Chairman of Stanley Gibbons, and it must in all fairness be stated that the Cartier collection represents the acumen and expertise of "Mick" Michael as much as the investment of Claude Cartier.

Cartier died in 1975 and his collection was displayed posthumously in the court of honour at last year's international philatelic exhibition in Italy. The first portion to be auctioned by Gibbons next month is conservatively estimated to fetch £400,000, a quarter of this being the value of two lots alone. As well as the Bermuda "Perot" the other star attraction of the sale is an entire of 1861

addressed simply to "Miss Rose, Blankenburg" and bearing a superb pair of the two-cent of British Guiana—next to the fabled one-cent on magenta of 1956, the country's rarest and most valuable stamp.

British Guiana's first stamps were nicknamed "Cottonsneels" because of their circular shape. Within a circle of printer's rule was a crudely type-set inscription giving the name of the country, with the value across the centre. There was little use for the two-cent and only ten examples have come to light. The "Miss Rose" letter was donated by the lady in question in 1896 to raise funds for Christ Church in Demerara and fetched £205. Later the same year Stanley Gibbons bought it for £600. Now, 80 years on, this firm are handling it again but it is likely to fetch more than 100 times that sum.

Cartier himself purchased it in 1969 for about £15,000, so a fourfold increase in 8 years indicates both the strength of the market in Primitives and the wisdom of investing in this area. Whatever the vagaries and caprices of modern stamps, the steadily rising market in classics continues to give the newcomer a good chance of beating inflation.

JAMES MACKAY

Les Must de Cartier



Boutique at Harvey Nichols Knightsbridge

To celebrate the creation of a new pen, the Cartier stylo, three eminent authors will be signing their books at Les Must de Cartier boutique, Harvey Nichols, Knightsbridge, London.

Hammond Innes Tuesday March 29th

Lady Antonia Fraser Wednesday March 30th

Kingsley Amis Thursday March 31st

Between 12-1pm

Cartier jewellery watches lighters clocks and leather

Chess

THE FIRST HALF of the world championship candidates matches have illustrated the luck factor in chess. When differences in skill are small, results can depend on who notices or overlooks a single tactical opportunity.

Thus, Boris Spassky led Hort (Czechoslovakia) by 140 with 7 draws after 8 games, but in the decisive game Spassky lost two pawns by a blunder and only recovered after several mistakes by Hort. Mecking (Brazil), after losing the second game to Polugaevsky (USSR), missed an easy chance to level in the third game. Latest scores are Porsich 5½, Larsen 3½; Spassky 5½, Hort 5½; Polugaevsky 5, Mecking 4; Korchnoi 5, Petrosian 4.

Only in the Larsen (Denmark) v. Porsich (Hungary) was there a clear leader at an early stage. Larsen, over-optimistic or just careless, made several unforced errors to go two down in the sixth game. The matches are for the best of twelve games, with the four winners qualifying for semi-final matches this summer.

Several of the decisive games have been very long, and this week's draw is possibly the most interesting so far. It features novel and successful opening strategy by White, a fine winning move missed, and re-

sourceful defence to salvage half a point for Black.

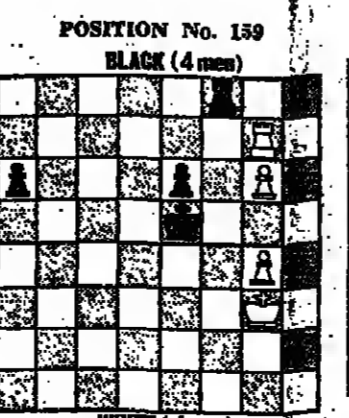
White: L. Polugaevsky (USSR). Black: H. C. Mecking (Brazil). Opening: Queen's Gambit, Slav Defence (1st match game 1977).

The opening moves were 1 P-Q4, P-Q4; 2 P-QB4, P-QB3; 3 N-KB3, N-KB3; 4 N-B3, P-K3; 5 B-N5, P-KR3; 6 BxN (6 B-R4, PxP; 7 P-K4, P-KN4 spells complications which must players prefer to avoid at the start of a long match); 8 Q-R2, B-Q3 (In the light of what follows, the alternative strategy 7... N-Q3; 8 B-Q3, PxP looks better); 9 B-Q3, Q-K2; 9 O-O, N-Q2; 10 P-B3!

Such a pawn advance is rarely recommended in the Queen's Gambit, but here it effectively shuts both black bishops out of the game. 10... B-B3; 11 P-QN4, O-O; 12 P-K4, PxP; 13 BxP, B-Q1; 14 R-K1, N-B3; 15B-B2, P-QN3 (the more conventional plan in such positions of B-Q3-K1 is safer, since Black's bishop at QN3 becomes a tactical target); 16 B-R4, B-N2; 17 Q-R2, P-QR4; 18 P-QR3, R-PxP; 18 R-PxP, P-PxP; 20 NPxP, R-R2; 21 B-B2, R-R4; 22 Q-K3, Q-Q2; 23 R-R3, BxR; 24 R-N1, Q-B2; 25 N-K5, N-Q2; 26 N-B4 (stronger is 26 N-K4, N-N3; 27 N-Q8, N-N5; 28 Q-K3, retaining the piece with advantage); B-R3; 27 N-Q8, R-N1; 28 R-R3 ch, NxR (more active is QxR); 29 N(3)-K4, Q-K2; 30 P-B4, B-E2; 31 B-N3, K-B1; 32 P-B5, P-PxP; 33 NxP (B5), Q-K1; 34 NxRP (a winning sacrifice...) PxN; 35 QxP ch, K-K2; 36 N-Q6, Q-RB1; 37 Q-K3 ch?

... which White fails to follow up correctly. Instead 37 N-B5 ch, K-K1; 38 Q-B6 (threatening N-N7 ch) followed by B-K3 ch) leaves Black no good reply. If 38... B-R4; 39 BxP ch, QxR; 40 N-Q6 ch wins the queen.

37... K-Q1; 38 NxP ch, K-B1; 39 P-R4, K-N2; 40 P-R5, N-Q8 ch, P-R6, N-B3; 42 Q-K6, N-R2; 43 B-R4, K-N1; 44 BxP, N-N4! (the saving resource). If 45 N-N7, Q-B8 mate; 45 Q-K8 ch, QxQ; 46 BxQ, NxN; 47 BxN, B-KB5; 48 K-B2, BxP; draw agreed. Black's bishop can be sacrificed for the White pawns.

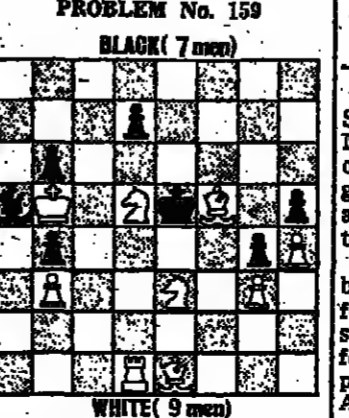


Jansa v. R. Byrne, Nice Olympiad 1974. The U.S. team's chance of a medal depended on Black drawing this position, but White's king, rook and pawns are all better placed than their counterparts. Jansa, of Czechoslovakia, considered as White (to

Bridge

THE FIRST deal to-day comes from the international match between England and Wales. The result was a convincing win for the Welsh, whose bidding was,

play) the choice between (a) 1 R-QR7 (b) 1 R-KB7 (c) 1 P-N5 and (d) 1 R-R4, and... selected the wrong move. Can you do better?



White mates in three moves against any defence (by Dr. A. Kraemer). A deceptively simple position: Black is down to his last couple of legal moves, but the solution is well hidden.

LEONARD BARDEN Solutions, Page 2

it is only fair to say, generally better than that of their opponents:

N.
♣J96
♦A6
♠AQ53
♥7432

W.
♠1084
♣J82
♦AQ865

E.
♠KQ72
♥53
♠10764
♥K98

S.
♠A8543
♥KQ972
♦K8
♠10

With East-West vulnerable South dealt and bid one spade. North said two diamonds, and over South's rebid of two hearts gave jump preference with three spades, and South carried on to four spades.

West led the spade ten, which has a plausible look, as he holds four of the declarer's second suit, but this mad thing was played, covered by Queen and Ace, three rounds of diamonds allowed South's losing club to be discarded, and 11 tricks were made.

The spade lead is not the right attack: West should lead the club Ace and continue with a contract, but the one South who bid only one spade did not see how to cash up after his partner

rebid one no trump in four spades.

Six of the other nine spades, and 12 claimed after the declarer is now in control. He ruffs, and cashes King, Ace, and Queen of diamonds. Now he leads the last club from the table, on which East throws the diamond 10, ruffs in hand, and leads the Queen of hearts. East who has to ruff this is end-run six rounds of played and must give South the last two trump tricks.

My next example is from the Sunday Times Pairs, which was won for France by Boulenger and Svare:

N.
♠A5
♠AJ1074
♥957
♠KQ6

W.
♠1065
♥K653
♠KQ984
♥A7

West dealt at love all, and North bid one heart. Seven of the eight Spades, led with two spades and reached a slam contract, but the one South who bid only one spade did not see how to cash up after his partner

rebid one no trump in four spades.

Six of the other nine spades, and 12 claimed after the declarer is now in control. He ruffs, and cashes King, Ace, and Queen of diamonds. Now he leads the last club from the table, on which East throws the diamond 10, ruffs in hand, and leads the Queen of hearts. East who has to ruff this is end-run six rounds of played and must give South the last two trump tricks.

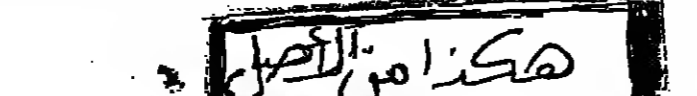
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E. P. C.



Insurance Returns on policy loan

Motoring



Sporty Fiat

have had bound... the X1/9's road... it was launched... the international... to Sicily, and... to try the new... the Targa Florio

manding drive, so any stretch of road... a couple of... as a fairly long... day the British... rain fell like... on a leader's eye... antics began run... stake on how many... would be written... of the day. To... relief, none of... 1/9s' so much... spite some fairly... driving on this... thousand corners... d on the road.

1972. It has taken... to bring right... versions of this... arts car to Britain... been selling very... in the U.S. in the... ve years old it may... fudge styling... idly futuristic and... attention getter... lants, even traffic... asking me what... ow it went, when... /9 on test earlier

r to the first part... on is, basically, a... some clever think... ing design, Fiat... t wheel drive 123's... and tucked it away... X1/9's seats. The... mid-engine two... looks and sounds... Ferrari, and pro... style motoring on... le and at a fraction... And the answer to... art of the question... indeed.

om that fast. With a... and gra... go over the 100... Acceleration from

BY STUART MARSHALL

0-60 m.p.h. takes 13 seconds which makes the X1/9 fractionally slower than the lighter, less lavishly equipped MG Midget 1500.

At first, it is tempting to dismiss the Fiat as an up-market fun car—fine for short trips but unsuited to serious motoring. In fact, it turns out to be a thoroughly enjoyable car on a long journey, providing you can tolerate a great deal of wind noise and don't object to the feeling of mechanical intimacy unavoidable with an engine and transmission inches away from the small of your back.

At 70 m.p.h. in top, the engine is spinning over at 4,300 revs per minute, at 4,500 revs for work, soaring up to 6,500 r.p.m. (representing 70 m.p.h. in third gear) with a lusty bellow but no vibration to speak of. Top can be held down to 25 m.p.h. s. the X1/9 is not fussy in traffic, but it is a car that gives its best when the gearbox is used freely and the engine allowed to rev.

The tail-heavy weight distribution keeps the driven wheels pressed hard on the road but does not lead to any handling problems. You can beat the X1/9 hard out of a hairpin in first or second gear without wheelspin, and it's as limble a car as I can remember on a wet, winding road.

The conversion to right hand drive has been well done. There is plenty of foot room, with a little rest for the left shoe away from the clutch pedal. The driving position is excellent, even

for someone over six feet tall, but the controls are much heavier than one would expect of a small car. The rack and pinion steering is accurate but not effortless; the all-disc brakes are amply powerful, though they are not servo assisted; and the moderately heavy clutch has to be depressed fully for a clean search.

Once you get used to the narrow movement across the gate, the gearshift is fine for making instant changes though it has the traditional Fiat 128 reluctance to go into first now and again. Small, high-revving engines that invite you to thrash them are not always economical but the X1/9 is surprisingly frugal of four star. For 300 miles of mixed motorway and by-way driving, with some city centres use as well, I used little more than nine gallons, giving a consumption of 32.4 mpg. Fiat's claim of 40 mpg on a long, gentle journey is believable.

By sports car standards, the X1/9 is not difficult to get in and out of and there is a reasonable amount of room in the cockpit. The roof lifts off and stows away under the front boot without eating into the luggage accommodation. There is another compartment, complete with a couple of soft bags to match the striped cloth upholstery, in the theory removing and refitting the roof should be the work of a moment. With two people, it probably is, but single handed it could be quite a struggle for a woman to take off and, especially, put back again.

Compared with the ageing Triumph Spitfire or MG Midget, the X1/9 at £2,997 looks expensive, but it is well over £300 cheaper than the TR7, which is perhaps a fairer comparison. As a quick, fashionable and sporty car, it has a lot going for it. Why, I wonder, did Leyland not do something similar with the Austin 1300GT power pack as a Spitfire/Midget replacement?

Golf

Some mild madness

BY BEN WRIGHT

THERE IS A very real feeling when one becomes accepted as a small part of it that the PGA tour here is an exclusive club, a sort of brotherhood of mild madness. A sense of humour is absolutely essential on a circuit that offers nearly \$10m. in prize money every year, a sum that has provoked a most unwholly scramble and is now producing new and different winners with such unfailing regularity that members of the old guard hardly have a chance to become so before being referred to as veteran or, occasionally, as in the case of Arnold Palmer, legendary.

There are many who prematurely fall by the wayside because they plainly cannot cope with what is an extraordinarily searching test of nerve and character. The brotherhood never appears stronger and more unified than in the face of adversity, which is why those who were present in the locker room at Sawgrass a week ago will always remember one of the most hilarious afternoons in the history of the sport. It all started as the wind from the south-west reached 40 miles per hour. A wonderful and extremely difficult golf course, perhaps the most relentlessly testing in the world, had been set up to provide the most exacting test imaginable, with

every pin tucked away in the least accessible spot. The sand was blowing out of the myriad bunkers, the flag sticks bent into a weirdly semi-circular arc. Suddenly the course became so nearly unplayable that to break 90 was a rare feat of courage, endurance and pure luck. And then the fun started.

The barber's chair in the locker room became the focus of attention as player after player, entering in a state of shock, was led into the hot seat to tell his own particular story of woe. Ben Crenshaw was in charge of the interview area after a brace of 93s had guaranteed him a watching brief for the weekend. Bruce Lietzke was in charge of the ledger in which was recorded the worst score for each hole. The total for the 18 soon soared well past 100 — and rising.

Only once during the whole afternoon did the place become the quiet haven of rest in which a sufferer can lick his wounds in private, so to speak. Jack Nicklaus came in early and ex-

ceedingly tight dipped after reads. This was eventually to reach the incredible 18-hole total of 131 as Lister left to a standing ovation after packing his bags. Joe Inman came in rubbing his head after being knocked out cold when his score-board had been blown out of its boy carrier's hands. Hubert Green, the tears streaming down his face, declared he had never witnessed a more amusing locker-room scene. But the week's real loser was Gerry McGee. This most humorous of temperamental top class golfers had whacked his putter head against his shoe after taking four putts on the 17th green the previous week at Doral — and broken the big toe of his right foot. Not only did he miss the championship, but McGee also had his wedge and putter stolen from his locker. Naturally he was not amused when one of his pro-am partners here at Harbourtown on Wednesday in the Heritage Classic told him not to fuss because there were plenty of

wedges and putters on sale in the professional's shop. While on the subject of losers I cannot fail to mention my own disappointment in the same pro-am. Our magnificent team carried the 1975 U.S. Open champion Lou Graham, who had an undistinguished six-over-par score of 77 himself to a best-ball total of 18-under-par 55. Thinking that this score must surely win the event I was somewhat chagrined to be told we were second best to a team that had brought in a score of 20 under par.

But accusations of bandy were soon silenced when I heard the story of how one of the backers on this, the winning team, had recorded a two, net one, at the 418-yard 11th. The gentleman in question bit a horribly sliced long iron second shot into the trees 50 yards off line, whence it was deflected straight into the hole. Lastly, I have been delighted that two of my best friends, Hale Irwin and Graham Marsh, have cemented their friendship over the last two years. On Wednesday afternoon Marsh gave Irwin a putting lesson lasting fully one and a-half hours. This morning they go into the second round of the Heritage Classic tied for the lead on 65. That is what I mean by the brotherhood.

Yachting

Admiral's choice

ALTHOUGH THERE are still several weeks until the closing date for challenges from overseas teams intending to contest this year's Admiral's Cup series, several countries have already informed the Royal Ocean Racing Club in London that definite challenges are on the way. The Japanese, who are taking part in the series for the first time, have already sent in their challenge, nominating two Sparkman and Stephens-designed 54-footers, racing at the top end of the handicap limits, and a Japanese-designed 36-footer that will race near the bottom limit. Meanwhile, Tokyo Broadcasting has announced that it will film the whole series for Japanese television, so great is the interest there.

Switzerland, whose team two years ago caused controversy with the inclusion of Tony Morgan's British yacht Mumm Opposition, are to enter a team of two Sparkman and Stephens-designed yachts, and Atair, a Stephen Jones 46-footer that

reced in the series in 1975. The Brazilians will field three German Frers designs including the popular Fernando Nabuco de Abreu's Wa Wa Too III which was first in class and first overall in this year's offshore racing classic from Buenos Aires to Rio. The U.S. used to recent Southern Ocean Racing Circuit series off Florida and the Bahamas to select their team and enter a well-balanced team that would seem to cover the middle and upper levels of the handicap. The French have named nine yachts to compete in their trials. These trials will include two RORC offshore races, the special Queen's Jubilee race and one of the Solent Points races and they must surely be stimulated by the knowledge that the whole Admiral's Cup event is supported, for the first time, by Mumm Champagne.

British selection trials will start at about the same time as the French and 16 yachts, including seven built for this

season, will take part, probably producing as close a contest as the Admiral's Cup itself. There is much at stake as Britain is the current holder of the Cup. Many feel that it carries as much prestige in international yachting as the Americas Cup. An additional inshore race has been added to the series which now means that the three inshore races to be sailed, worth single value points, carry between them the same value as the 650-mile Fastnet race that ends the series, so that skill inshore is now crucial.

Meanwhile, the costs involved in sailing at the Olympic level have been brought into the daylight in a report published by the outgoing British Olympic Yachting Appeal Committee, headed by Robin Knox-Johnston. The Appeal was set up in 1970 to raise financial support from industry, the sailing community and other sectors to give Britain's aspiring Olympic sailors much-needed help in competing in major events at

home and abroad and to pay for proper training facilities and organisation.

In 1970, £900 was raised from the commercial sector, £1,730 from sailing clubs and a humble £8,900 from private donation. Knox-Johnston, Robin Aisher, an Olympic sailor and director of the Marley Company, and Olympic silver medalist and financier Tony Munran formed the BOYA and employed the energetic Monica Dixon as fund raiser and secretary.

The success story that followed might well mean that the report, available for £2 from the Appeal office at 70, Brunton Road, London, becomes compulsory reading for other organisations dependent upon goodwill for their income.

While the cost of yachting increased rapidly the Olympic training programme was still able to grow as the money came in. Fund-raising functions, which had taken place only several times a year until 1970, increased apace and there were from then on as many as three activities a week. In 1970 the cost of Olympic training and other support was £16,500 while

income, mainly grants from the Sports Council and the Royal Yachting Association, amounted to £17,860. By 1976 the whole picture was very different.

Donations and fund-raising activities raised over £20,000 and the impressed Sports Council provided £30,000 to enable British yachtsmen to compete in overseas events and for Olympic training and preparation. The Olympic team that went to Canada last year was, as always, totally financially supported by the British Olympic Association but the efforts of BOYA enabled a second "tuning" team to go to Canada to provide competition and ensure that the British crews were in peak form.

Total expenditure for 1976 was £47,540 but income was £53,570 and as the present committee retire and Monica Dixon moves into a new area of sports promotion they leave their successors the legacy of a healthy £62,304 surplus, having earned £214,263 and redistributed £151,959 during the six years that the Appeal has operated.

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EWRIERS... CULATORS

Weekend Brief

Holiday Costs

Arbitration is regarded by many as a friendly alternative to the courts as a means of settling disputes. Having just won an award of £25 from an arbitrator after what they claim was a ruined holiday organised by Cosmopolitan Holidays six young Londoners tend to disagree. The last paragraph of their award tells them they must pay £1,692.64p for the cost of Mr. Kenneth Severn's decision, which makes their holiday a somewhat hollow victory. On top of this there are their own legal costs, and the cost of the holiday itself, which means that they each now face a bill of around £800 which even these days is a lot of money for two weeks in a Cretan windmill.

The unfortunate six are not alone in their alarm. The Association of British Travel Agents, which backs the arbitration scheme, says it thinks the price of this particular dispute was rather high but ABTA, oddly enough, is not even sent the findings of the arbitration cases and so, officially, is unaware of what went on during Mr. Severn's hearings.

Before going to arbitration people who complain about being misled must agree to abide by the decisions that are made. The mistake of Mr. A. W. Wreford and his companions, apparently was to choose to opt for a hearing of their case rather than a decision based on documentary evidence alone.

The arbitration scheme in travel, similar to those in the motor business and house purchase, produced 96 cases last year but says ABTA, it is only aware of two cases where the complainants have opted for hearings with legal representation and the opportunity for cross-examination. The complainants in this case say they opted for a hearing because there was so much in the operators evidence with which they disagreed.

This apparently "lacked conviction and spontaneity" according to the arbitrator who added in another document: "Had the claimants' determination to enjoy their holiday despite minor setbacks matched in some small way their determination to obtain compensation and damages from the Respondents, they would have avoided the inconvenience, frustration, disappointment and annoyance which they claim to have suffered."

The hearing began on January 18. The award is dated February 25. The bill was £1,692.64 — including VAT.

Gone West

PROBABLY no American city enjoys the romantic reputation of San Francisco, with its hills, bridges and cable cars and its ethnic and cosmopolitan charms. San Francisco frequently is described as "everybody's favourite city," "the city that knows how," or, as the natives say, simply "The City."

Now San Francisco is a city under siege from a wave of random crime. While serious crime was down 1 per cent nationally in the U.S. in 1976, San Francisco posted a 22 per cent increase, according to FBI figures. Murders, rapes, robberies, aggravated assaults, burglaries and auto thefts all have been on the rise for more than a year. An already undermanned police force is being stretched thin, residents are adopting a fortress mentality

The most usually identified with New York or Detroit, and local political leaders are feeling the heat of citizen concern.

Union Square, ranged by classy hotels and chic shops in the heart of downtown last year became a haven for prostitutes who pandered openly to tourists and businessmen. Pressure from hotel and restaurant operators in the area finally prompted the police department and the district attorney's office in December to end an 11-month policy of easy-going tolerance towards the gathered ladies of the evening. Since District Attorney Joseph Freitas Jr. and Police Chief Charles Galt took office in January of last year, the city had sharply de-emphasised prostitution arrests while pressing the attack against violent crime.

But violent crimes continued to soar and so far in 1977 shows no signs of easing. San Francisco recorded 145 murders last year, and this year has been averaging nearly a murder a day, a pace that would put it far ahead of last year's record number of homicides if unchecked. Attacks and slayings have spilled over from the city's

crowded ghetto areas into busy sections of downtown and even fashionable residential districts. "There are no safe neighbourhoods any more" Mayor George Moscone was moved to warn in the wake of a recent daylight killing of a prominent insurance executive shot while walking his dog in the exclusive Presidio Heights neighbourhood.

California's Attorney-General, Evelle Younger, an announced Republican candidate for Governor in 1978, labels San Francisco the nation's leader in "weird murders" and calls it the toughest city in the U.S. to police. The police department has not been the best, he said, and until recently the citizens have not really cared. "For years, the attitude there has been, 'We're wide open. Come on out to San Francisco and have a ball.' This is a city where they brag about the highest rate of alcoholism in the U.S.," added the puzzled attorney-general. California's top law enforcement officer.

"San Francisco can be a great city again, but not unless we make the streets much safer," said Mayor Moscone, who pushed for and won city authorisation of a \$1.7m. programme to increase security on municipal buses and expand other police programmes in an effort to put a lid on street violence. "If San Francisco's streets are to be made safe," he declared, "everyone must be a police officer."



Amin: no sugar, no soap

One way Traffic

Last week, a major and three captains, all Christian members of the Acholi tribe, fled into Kenya to escape the pogrom conducted by Amin against their tribe since the discovery of smuggled arms in Uganda in January,

The officers abandoned their units, their uniforms, pay and pensions, and came across the border in a truck completely penniless. They told a Kenyan official at the little border town of Busia that they were pursued for miles by Amin's notorious State Research Unit, but managed to shake them off.

They went on to Nairobi because they felt it was not safe for them to stay so near the border.

The Kenyan official told me that very few refugees from Uganda stay in Busia for fear of being picked up by Amin's men in plainclothes. "Amin's security men are known to operate here quite blatantly." It is an area where the tribes are spread widely across the border.

"Those who call here get help with their bus fare to Nairobi and money for food, and we tell them to report as soon as possible to the UN Refugee Office," said a district officer.

Outside his office, I met a young man with a bag who was waiting to be interviewed. He told me he was a teacher from Kampala who had just arrived in Kenya.

This teacher told me: "My cousin is under arrest in one of Amin's jails, on suspicion of plotting, and armed soldiers came to my school looking for me. It was lucky I was out, or I would probably be in jail now instead of in Kenya."

Busia is a small African market town, bustling with activity, which actually spans the border. There is a Busia, Kenya, and a Busia, Uganda. Busia, Kenya, is prospering today from the under-the-counter coffee trade with Uganda.

Coffee farmers in Uganda have now given up trying to sell their coffee to the Uganda Coffee Board and are turning to the market, so increasing quantities are coming across by lorries and by boat across Lake Victoria. The Ugandan farmers lose heavily on the deal because the exchange rate is now 35 Kenyan shillings for 100 Ugandan shillings. Many are now turning to barter in the Kenya markets for the goods they desperately need in Uganda. These are mainly the three vital S's—sugar, soap and salt—which are virtually unobtainable in Uganda. The farmers also barter coffee for cooking oil, paraffin and blankets.



"They're way behind the times, we've been smoking grass for ages"

farmers, taking their coffee to be sold here, hijacking the coffee and selling it themselves," said a Busia businessman.

The most significant feature of the refugee affair is that Amin's pogrom is not only directed at the Acholi and Langi tribes, but against the whole educated class. A Kenyan official told me that the influx now is almost entirely made up of civil servants, teachers, lecturers, doctors and other professionals, plus serving officers. "The poor and the peasants don't come. They have little to fear from him anyway."

Smokes screened

THE SPRING of 1977 is proving to be a very hectic time for Britain's cigarette manufacturers. After a price war which ran almost all the way through 1976 and which was complicated by tax increases, changes in the method of tax collection and switches in market emphasis the companies are now facing the might of an interfering Government.

Mr. David Ennals, the Secretary of State for Health, has already weighed in with an exhortation to cut smoking and the announcement that there will be new controls on smoking in public places. Yesterday the Hunter committee announced that at long last it will be making an announcement on the use of substitute materials and flavour additives.

As if this were not bad enough the whole package comes against a background of difficult marketing and investment decisions. The use of substitutes is sensitive in many ways, not least that tobacco companies understand their product and have backed it against much criticism for many years.

At the same time they have used alternative technology to develop other methods of reducing the tar and nicotine levels in cigarettes which have meant that they can continue using tobacco. Improved filtration and papers have meant that in many cases the low-tar sector has products which compare favourably with products in the U.S.

This is likely to continue and, while it is unlikely that the British market is going to adopt American tastes, the inclusion of flavour additives in the Hunter recommendations may lead to increased activity by British companies.

It will also please both American and European competitors who have long felt that the ban on such additives had been an unfair discrimination against the marketing of their products in the U.K.

There is no clear evidence that the British smoker is going to rush lovingly to cigarettes made with a proportion of substitute materials and suspicion will be difficult to overcome. After such a long delay it is known that many marketing teams within the cigarette companies are disillusioned and would prefer to sell low-tar cigarettes of more conventional format.

Whatever happens it will still not happen quickly and it is likely to be at least three months before cigarettes containing substitutes appear on the British market.

And as that takes up to mid-June there could be a further delay in some cases as the autumn is a far more favourable time to launch new brands.

The big question marks hang over the degree of official endorsement given to the substitute materials and the timing of any competition from those more in favour of additives. Without a good official reception the initially high trial rate is likely to drop away fairly quickly, and without having established a stall in the market place the backers of substitutes may find themselves outgunned in a fierce advertising battle instigated by those companies which would rather put their money on flavour additives and improved filtration.

Contributors: Arthur Sandles, Art Garcia, John Worrall and Stuart Alexander

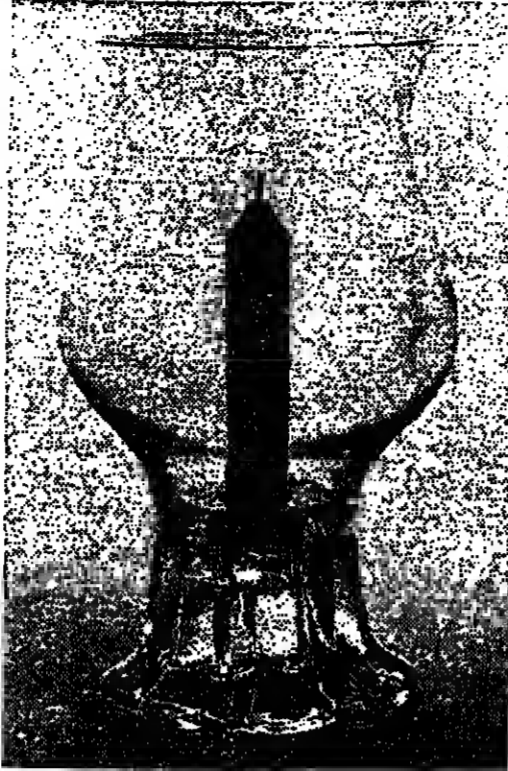
Frank Thrower Ltd

by Lucia van der Post

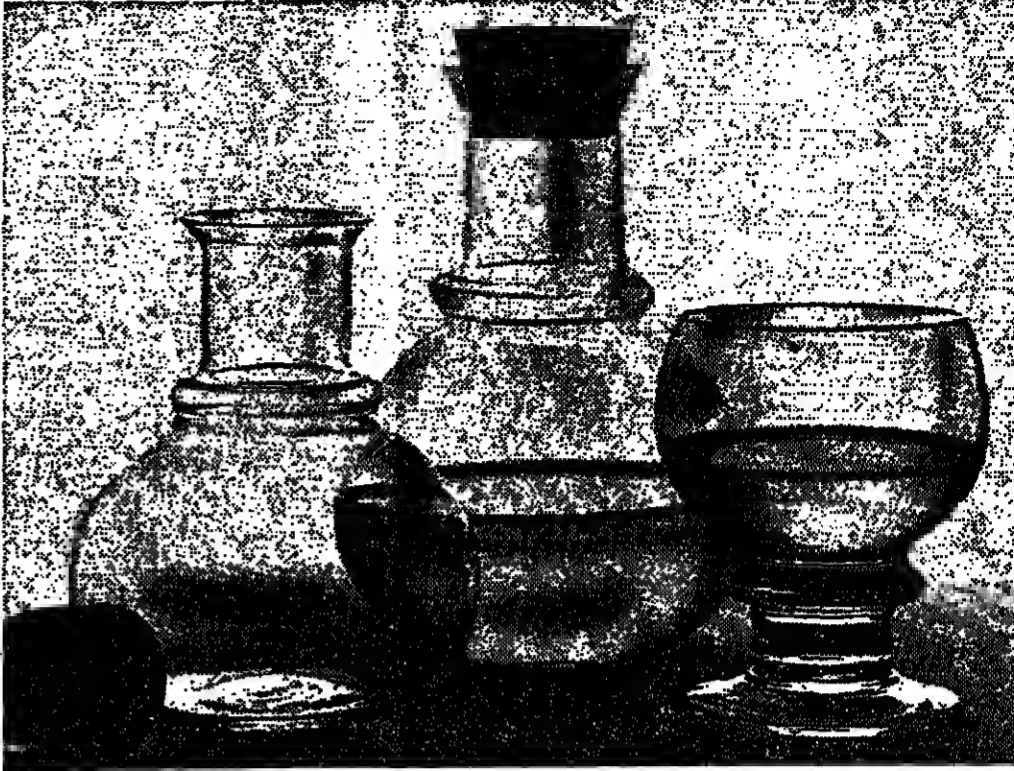
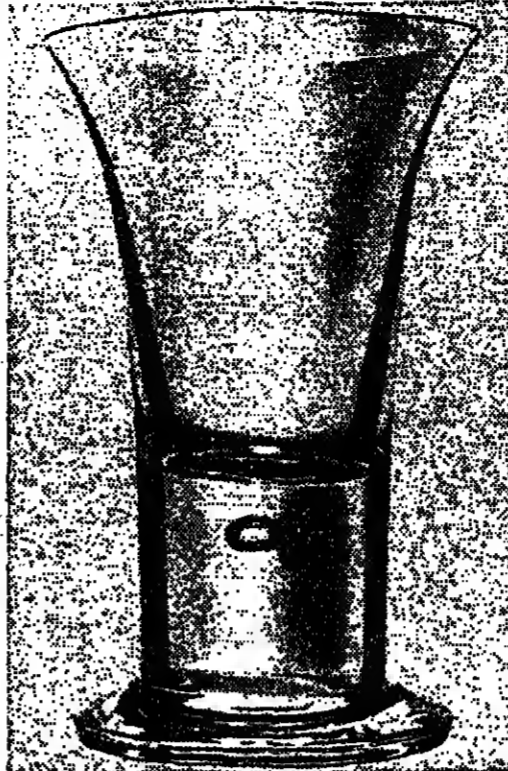
How to spend it

Hats off to Dartington

Incredible to see that... distinctive character that marks the Dartington range and makes it instantly recognisable is due to the fact that one distinctive handwriting (that is, Frank Thrower's) is behind it all. The products have a unity, a "family look" that only comes when a designer and a company agree together on the direction they're going in.



"Lantern Light" is one of the new designs that Frank Thrower likes best. It is 21 inches high and arrives boxed with six candles. £6.50. There will only be 200 of these goblets (centre picture) but all will be engraved by the designer.

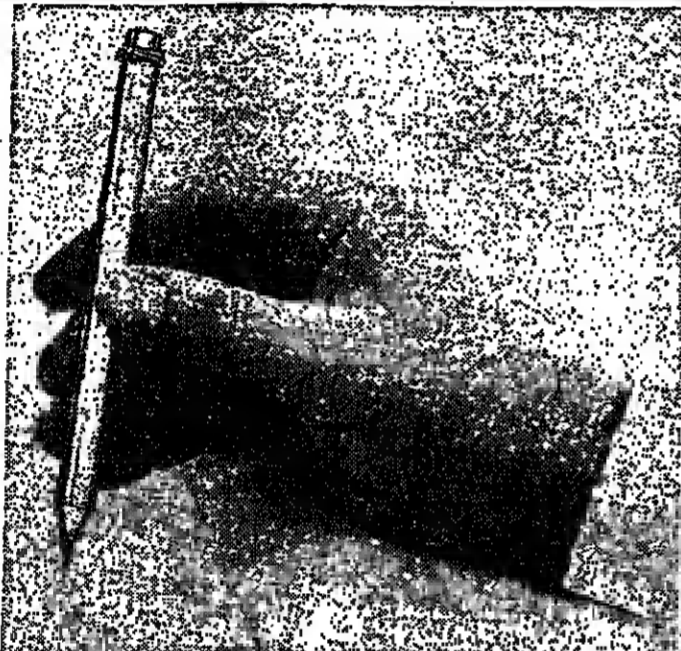


Frank Thrower. 5 1/2 inches high, the Heal Goblet is essentially a very simple but elegant shape with a single bubble trapped inside the stem. Packaged in a cream calico bag with brown lettering it costs £7.50.

"Serves You Right" is the name of this collection of carafe and wine glasses. A carafe set (litre carafe and 4 glasses) boxed is £10.70 while the litre carafe alone is £2.95, the smaller carafe is £2.50 and the wine glass alone is £1.85.

IS bols allence

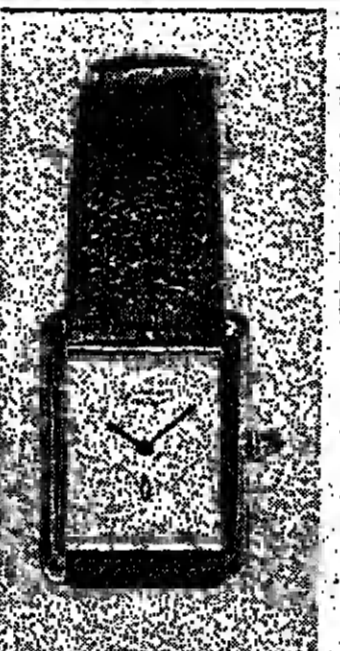
band it to Cartier... short of self-confident week they launched a personal, desirable pen to the market—a pen selling for £70—ave no doubt that it to beat all pens.



Gold-plated pen from Les Must de Cartier and tank-shaped watch with modern face.

pen itself is not a fountain pen but a biro and it has a unique, new refill system which works by lifting the flap at the base of the pen so that the refill falls out automatically.

secondly, that Cartier is in a very nostalgic mood, having seen its famous tank-shaped watches copied all over the world.



Bath, Hancock and Son of 29, King-Street, Manchester M2. Les Must de Cartier have brought out a new watch based on the classic tank shape.

Majestic metal

ON THE whole there are few of expensive but nicely made and the Jubilee souvenirs that I myself would actually consider buying, but the two I show here do have the great merit of simplicity and this seems to me to be a welcome quality among the plethora of over-gilded, over-elaborate objects currently flooding the market.



have a practical use as a stand for hot kettles or teapots. It is shortly to be found in most major branches of Woolworths and in some gift shops. Measuring 5 1/2 inches at its broadest and 2 1/2 inches at its longest, it costs £1.99.

Drawn right is one of a pair of very simple gold or silver ingots engraved with the Royal Coat of Arms or Cypher on one side and enlarged hallmarks on the reverse side.

The ingot shown here only comes in silver, is engraved with the Royal Cypher and is sold with its own silver chain. It is shown here actual size.

From the same firm you can also buy a simple gold (9 carat, 18 £143, in 15 carat gold the 1-oz. carat or 22 carat) ingot is £140, the 1-oz. £270. In which is shaped more like the 22 carat gold the 1-oz. ingot is traditional plain dog's tag. It is £170, while the 1-oz. one is £490.



engraved with the Royal Coat of Arms on one side and hallmarks on the other. It is sold without a chain and in two different weights of gold—oz. 9 carat and 1-oz. 22 carat. The 1-oz. model is also available in silver. The 1-oz. model is £170, while the 1-oz. one is £490.

with fondue

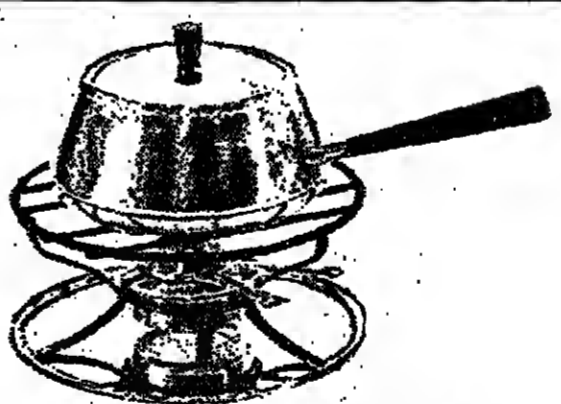
LUPPA DAVENPORT

introduced to fondue during an electricity luring have been a firm fan of it. It is useful not only for parties, although I had to be grateful only last to the crises of moving.

complete with lid, a spirit flame holder with perforated cover so that the flame can be regulated, a tray to stand the flame holder on, and a trivet to stand the pot over the flame.

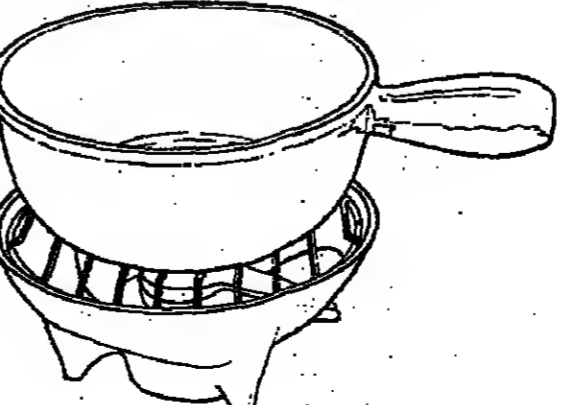
out completely when the caquelon is almost empty: a crust will form on the bottom of the pot and can be lifted out and shared by the guests.

FONDUE BOURGUIGNONNE I think the nicest of all fondues is fondue Bourguignonne. It's not that cheap of course but it still costs less than a restaurant cook a rest. I usually include pork tenderloin and meat from a boned leg of lamb as well as steak, and I think 6 ozs boned and trimmed meat per person is enough if you also serve baked potatoes and a lot of green salad.



Most cooks agree that a really good fondue set is very expensive. Richard Dare, who runs a marvellous cook's shop at 93, Regent's Park Road, London, NW1, says that he finds the cheapest ones (they usually come from somewhere in the East), too frail, but the £30 to £40 ones from Scandinavia superb. £30 to £40 is, we think, a great deal to pay for cooking one dish from time to time so possibly the best compromise between superb quality and a reasonable price is the Le Crusset set drawn below. Designed for cheese fondue (cheese for meat have sides that slope inwards to keep the fat very hot and to keep it from splattering) the heater is made from cast-iron and has a matt black finish. The dish has a brown enamel exterior finish and a cream enamel inside.

The main thing to look out for is to make sure the set is reasonably heavy—the heavier the pot the less likely the fondue is to burn and the better it will hold the heat. Check that the pot stands firmly on the base and doesn't wobble.



spoons tomato ketchup, 4 table- spoons marmalade, a tablespoon each of lemon juice and oyster sauce and 1 knob freshly grated ginger root. Heat together gently, stirring, then allow to cool completely.

horseradish is unavailable). Fold the mixture into 1/2 pint lightly whipped cream.

Black Olive Dip Stone 2 1/2 large black olives and chop the flesh finely. Mash with a fork and cream then into 3 tablespoons each of Hellmann's mayonnaise and whipped cream.

Tunisian Sauce Put into a liquidiser 2 oz. Philadelphia cheese, 5 tablespoons butter, 1 teaspoon harissa (red paprika paste available from delicatessens or shops selling middle eastern foods), a little salt and the grated zest of a lemon. Blend till smooth and chill before serving.

DESSERT FONDUES

These make an unusual end to any meal but they score particularly at teenagers' parties. Cakes of sponge cake, macaroons, houliard biscuits and marshmallows are traditional foods to dunk and coat with these sweet sauces, but I've successfully used many other cakes. Marks and Spencer carries an excellent range which includes a Madeira cake, and McVities ginger cake and dark orange cake are delicious for foodies too. Some fruit can also be used—chunks of banana, pectin and pith but not membrane or the juice will "bleed" and large stoneless Californian prunes (snak them overnight in rum but do not cook them). Here are some not too sickly-rich sauces—all for four. They are very easily prepared and, once cooked, should be kept over a very low flame—just enough to keep them hot while the food is coated—swirl it in figure of eight movements.

Spiced Chocolate Fondue Put 3 tablespoons cold water in the caquelon. Add the grated zest of two large oranges and 1 1/2 teaspoons ground cinnamon plus 1/2 lb Menier or plain dessert chocolate broken into small pieces. Stir over gentle heat until the chocolate is melted then blend in 4 fl. oz double cream. Continue cooking and stirring until hot and smooth.

Mocha Fondue Measure 6 fl. oz double cream into the pot. Sprinkle on 4 teaspoons instant coffee powder and add 1/2 lb plain chocolate broken into small pieces. Cook over gentle heat, stirring in figure of eight movements with a wooden spoon, until the sauce is hot and smoothly blended.

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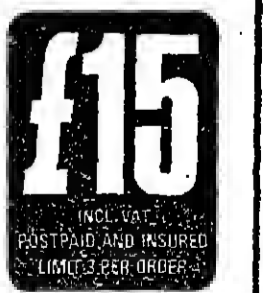


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Property

Jumping to conclusions

BY JOE RENNISON

MEMORIES TEND to be short on some matters and nowhere shorter than on the doings of the property market. This is amply demonstrated by the comments over the last couple of weeks over the dramatic fall in Minimum Lending Rate. After reaching a crisis level of 15 per cent last October it has fallen fairly rapidly to its current level of 10½ per cent. The fall has in turn brought pressure on the building societies to bring down their borrowing rate from its crisis level reached last November of 12½ per cent. It is now certain that the societies will reduce the rate by up to as much as one full point.

Now this has caused all sorts of flaps among some concerned with the buying and selling of houses. The usual cry of "Prepare to meet the Boom" are even now ringing around the land. These prophets point out—and quite rightly—that borrowing will now become cheaper, that there is a coming shortage of new stock and that prices have been depressed for so long that they must move upwards. The first two points are accurate but I would disagree with the last. There is little point in crying that prices must go up as though it was an immutable law of nature that they should do so. There is more to the market equation than that.

Even if the building societies brought the rate down to 11 per cent, (still high enough in all conscience) that would simply mean returning to the situation that obtained throughout most of 1976. And in that year the societies pumped money into the market at a record level without any significant effect on prices. The climb down from a crisis level after about only six months is hardly likely to open the floodgates. Besides prices will only rise if there is a supporting rise in incomes to justify the rise—mortgages have to be paid for from real income.

But it is on this point that there is some reason to suppose that prices could rise faster this year than they have in the past two years. We have been promised tax concessions in the Budget and many people expect Phase Three of the incomes policy to be less stringent than



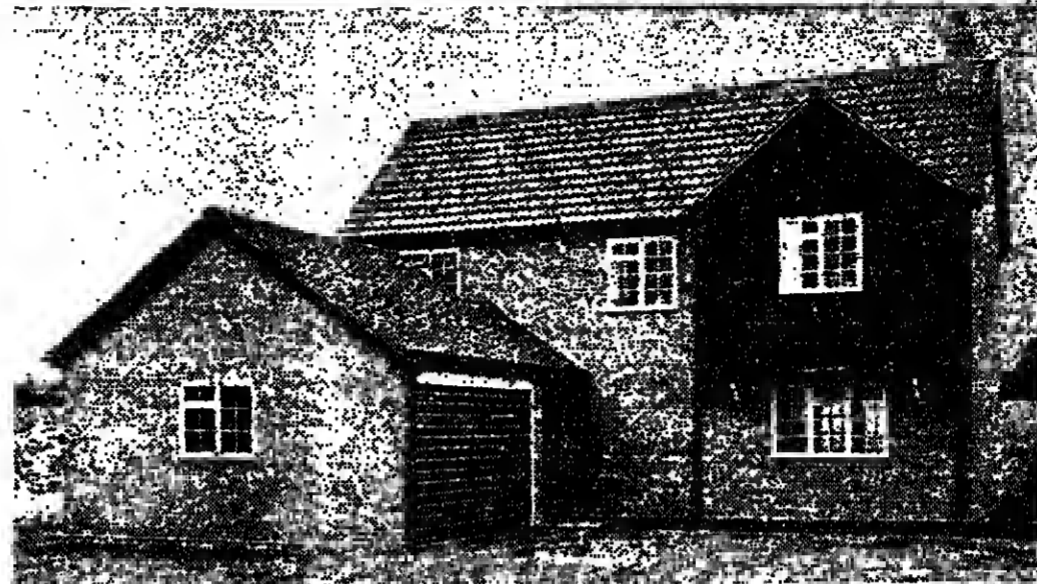
the previous two. There is certainly a greater feeling of confidence about what the market will do and as the following comments from agents show some of them are quite bullish.

Mann and Co. already the largest house agency in the country, who have just embarked on a programme of increasing the number of offices are in an obviously bullish mood. They say that since January 1 they have sharply increased activity. New applicant inquiries have been as high as 600 per day. This is an all time record for the firm and up 30 per cent compared with 1976. They have arranged sales on homes with a total value of £30m in the first ten weeks of 1977. This figure is over 20 per cent up on the same period in 1976. At present they say they have buyers, scilicet and mortgages and look set for a very busy year.

Their forecast for the rest of the year is that in the south east house prices will rise by at least 15 to 20 per cent overall. These rises will take place in all price ranges, they say. With this increase the differentials between price ranges will widen again. Differentials will never be as narrow again and that secondhand properties which have been substantially underpricing new will catch up and will therefore have a greater appreciation.

For the future they predict that small, neat compact houses will increase in value faster than other property and will command a premium in relative terms over bigger and more expensive-to-run units. The splitting up of larger properties into smaller and more sensible units will continue and rapidly increase. An increasing number of moves will be caused solely by savings of travel costs or improving the educational catchment area.

West End agents Savills report that taking a minimum price of £30,000, they sold 32 country houses during January and February this year worth a total £1,784,000, or an average of £55,750 each. This is an increase of 13 per cent in the average price, per house over the same period last year when they sold 20 houses worth a



total of £987,000 or an average of £49,350 each.

Mr. Geoffrey van Cutsem, a partner in Savills London Country Department, says these months are normally quiet for estate agents. However, he says, the figures illustrate the increasing buoyancy in the upper price bracket of the house market, which Savills say is being dominated mainly by the Arabs and the Dutch.

From the south coast Legrand Brothers say that despite the high cost of mortgages, residential property in Bournemouth, particularly homes between £10,000 and £15,000, is selling faster now than during the first half of 1976 when money was plentiful.

The demand for property is being felt in most price brackets and there is a considerable shortage in the £30,000 to £30,000 range.

"A trend for larger gardens in this range has brought about a substantial increase in the number of homes being built on plots of a third to half an acre or more," says Mr. Nigel Legrand, one of the firm's partners.

The firm reports that Continental and Middle East buyers are, to a small extent, been stimulating the market in homes over £45,000, the attractions of the area being helped by the 100 minute rail service to London, plus the facilities of Hurn Airport and Poole's yacht moorings.

The surplus of new flats built during 1974-75 has disappeared and a number of the larger developments which were particularly affected by the market slump, have completely sold out.

From the New Forest Paul Jackson reports that he has been pleasantly surprised at the turnover in what is for that area the lower end of the market. The reasons for this

are no doubt because it is fairly small, is of traditional design (copied say ASPP from houses seen in Northern France) and because the timber frame building can be put up in about 15 weeks. ASPP co-operated with ICI and used the latter's materials wherever possible in the construction of the building, apart that is from the basic timber frame. Architectural Services, who produce a large variety of off-the-peg designs for sale to the public find that sales are increasingly towards plans involving timber frame construction. The model shown would cost about £12 a square foot meaning a total of between £11,000 and £14,000 depending on the quality of the fittings. This does not include the price of land.

There are three ways a potential customer can acquire one of these homes. ASPP can sell the plans and introduce the customer to a builder; they can help with the finding of a site and go on from there; or they can give the names of builders who are already building speculatively from the plan. ASPP are at 45 Station Road, Redhill, Surrey.

Within a stone's throw of Sandridge Park Golf Course, Bromley, Kent, Trollope and Collis Homes are building luxury homes on the attractively wooded site formerly occupied by the Cam Brae Preparatory School.

The first 15 homes have just been released for sale and will be ready from July onwards. They are the four-bedroom "Dorchester" (as shown above right) and "Roehampton" (right) which with their Georgian-style facades have proved such a success in the higher-price brackets at both Chislehurst and Ashford. Prices start at about £37,000 for the "Roehampton" and one of the key features of the homes is their low running costs due to particularly high standards of insulation and low maintenance costs.

The central heating has been

designed to allow for the installation of air-conditioning. Amenities offered include double garages, pillared porch and bay window at ground-floor level. Quite apart from the spacious bedrooms and double bathrooms, the houses are beautifully planned and fitted. The "Dorchester," for example, has a very long living room as well as a study and utility room. A gas-fired system is standard. All kitchens have plenty of cupboards and working surfaces and include a built-in hob and oven unit as standard. The Moody Homes are now offering a selection of new four-bedroom, semi-detached houses on their Norsey Farm development at Billerica, Essex. This is in addition to a further 10 release of detached properties. All house types have been built to a high specification and combine numerous individual features. The one shown left is called the Moreton.

The kitchens are fully fitted with floor and wall units and ample space is provided for electric or gas cookers, refrigerator, other appliances and features may include study, room to the well as the bathroom and or single garage. A gas-fired system is standard. The four-bedroom houses start at £22,750. Wash Road, Huxley, Essex.

Miles of Scotland

FOR THOSE of us who have always had a hankering to get away from it all on a remote Scottish moor now is the chance. It should be fairly easy to escape from humanity on the Dunbeath estate in Caithness. After all the estate which has just come on the market covers no less than 33,000 acres or about 50 square miles.

Until the middle of this century the estate was the focal point for the Clan Sinclair (Sinclair of Roslin) and the first just announced Castle on the estate dates from the first half of the 17th-century but one

need not fear a hankering to get away from it all on a remote Scottish moor now is the chance. The buyer will find the estate in the country, a cull of 25 stags, salmon fishing, the Dunbeath grouse moor. The estate is in the hands of the same family who are the first just announced Castle on the estate dates from the first half of the 17th-century but one



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The Arts



Richard Cassilly and Norman Bailey in 'Peter Grimes'

Peter Grimes BY MAX LOPPERT

of the giant North... the most sharply etched smaller roles. From John Dobson's Boho's opera at Covent...

Theatres this week

WIMBLEDON - The Amazons. The Actors Company in a rather thin Pinero comedy about girls masquerading as boys. Opened Monday.

New plays at the Questors

BY MICHAEL COVENEY

However dissatisfied today's playwrights may be with their professional lot within the theatre, as witnessed in the recent struggle for official recognition by the newly-formed Theatre Writers' Union...

But should a bright new play escape the major subsidised theatres, there are still excellent production facilities available at Hampstead Theatre, the Theatre Upstairs, the Open Space...

At which point, of course, it would make good copy to hail an undisputed masterpiece in this year's offering. The truth is, however, that two of the plays were tedious and undistinguished to a degree unmatched since the gloomier triumphs of my theatre-going experience while the third, Sequoyia Rising by A. E. Ellis...

Mr. Ellis's idea is to write in the scenes that never happened, and Chekhov's time sequence is adjusted to accommodate them. So we see the schoolmaster trying to hitch his wagon to Konstantin's ascending star with a proposal of joint publication of their work while reporting that Masha is in mourning, not for

her life, but for her lost love. But Masha herself hardly exists at all in this version. The action is divided into three acts: in the first, Arkadina elaborates pedantically on her career and her dead husband before taking the internal stage with her son in a piece penned by Trigorin; and the second section is entirely presented as Konstantin's play, although Mr. Ellis's re-writing of the characters cooines with it.

The middle section is entirely presented as Konstantin's play, although Mr. Ellis's re-writing of the characters cooines with it. With Trigorin reporting to Nina that he is in bed with Arkadina, it is like sharing a coffin with a corpse before playing a long, rather stilted love scene to her, the piece starts tripping absurdly into melodrama. Perhaps Mr. Ellis intended this, but the point of it all is beyond me. Poor old Trigorin mumbles on about his had health and impotency - I couldn't get a cock-stand now find our leading amateur group, the Questors in Mattock Lane, Ealing, preserving their tradition of an annual New Plays Festival.

Mahler's Vienna

BY ELIZABETH FORBES

Gustav Mahler in Vienna, edited by Sigrd Wiesmann. Thames and Hudson. £15.00, 160 pages

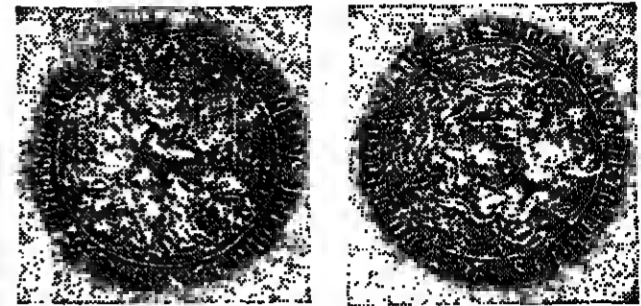
Ask any opera-lover the place and period where and when he or she would prefer to have lived, and the answer is almost certain to be "Vienna between 1897 and 1907" - the decade when Mahler was Director of the Court Opera. This book, the original German title of which is Gustav Mahler und Wien (rather different in meaning from the English "in Vienna"), consists of essays by divers hands, and deals with Mahler's student days at the Vienna Conservatory, his summer retreats at the Attersee and the Wörthersee, his relations with the Vienna Philharmonic Orchestra and his compositions written during his Vienna years, as well as his achievements at the Opera. There is a fascinating chapter by Hilde Spiel on the city itself at the

turn of the century, and an account of Mahler's marriage to Alma Schindler, daughter of the painter, by Henry-Louis de La Grange; but the central section on his Directorship of the Opera, by Marcel Prawy, is the core of the book.

No one partial to the operatic form of theatre can read of the Mahler/Roller production of Tristan and Mildenburg, for instance, without a sharp stab of envy, while reproductions of Roller's designs, for Don Giovanni and Fidelio as well as for Tristan, make one even more envious of the lucky Viennese alive just then. Some photographs are blown up to a size where they lose all definition, but on the whole the illustrations are well-chosen and adequately reproduced. Translations are open to criticism, in particular the introductory essay by Pierre Boulez. "Gustav Mahler up-to-date" which, double-filtered via the German, becomes all but incomprehensible.

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EXPERIENCE AND EXPERTISE 294



Henry VII, 1485/1509, Sovereign. Sale, Tuesday, April 5.

It was in Henry VII's reign that we see the fundamental changeover from late medieval to Renaissance coin design, mainly due to the appointment in 1494 of a German called Alexander of Bruggen as graver to the Mint. In October 1489 Henry ordered a new coin to be struck called a 'Sovereign' which was to date the heaviest gold coin struck in England and in terms of splendour rivaled if not surpassed the Real d'or struck in the Netherlands for Maximilian.

Although the above Sovereign is only one of about twenty specimens known from this particular pair of dies the original production of Sovereigns may well have been in excess of 50,000. The output from the London Mint was very substantial with the peak production in 1508, when £12,683 worth of gold coins were produced.

For further information on sales of Coins, Medals, Decorations and Booknotes, please contact Mr. Raymond Saceroff-Baker at the address above.

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Miniature matters

ING of portrait developed early in Italy, growing in through the 17th centuries, dying off with photography. Early miniatures in body colours on mounted on card. 1700s ivory was used, with miniatures on copper in 18th century.



Miniature of Pauline Bonaparte, Princess Borghese, favourite sister of Napoleon, by Etienne Charles de Guey. It is one of the star items in the English and Continental Miniatures from the Holzscheller Collection to be auctioned at Sotheby's on Monday.

considered the skill required for the of these often detailed likenesses, estimates do not high. They start at £2,000-plus bracket, some £3,135 for a 34 and 35 New London, W.11 is friend of Louis XV. Married to the Marquise de la Tourelle in 1734, she was widowed at 23. Both her sisters, Mesdames de Vintimille and de Mailly had been the king's mistresses, so proved.

ROOM

ES of Venice were sold for £100,000 at a sale of old Christie's in London which totalled the Molo from the San Marco with a number of other vessels in to a private buyer. A German is the successful Alfa Romeo turismo four-door went for £5,511 and a 1957 Mercedes Benz 300 SL two-seater made £7,442. In Rome on the same day prints and drawings made £30,483 with practically every lot sold. A group of prints by Giovanni Battista Piranesi of triumphal arches and other Roman monuments fetched £1,184. The final day (Thursday) by the same artist, from San Marco, went for £49,000 and

For instance the buxom-looking Marie-Anne de Mailly-Wesle, her dark hair falling in curls to her shoulders, her coral bodice seductively unbelted, nearly to the waist, was a girl-friend of Louis XV. Married to the Marquise de la Tourelle in 1734, she was widowed at 23. Both her sisters, Mesdames de Vintimille and de Mailly had been the king's mistresses, so proved. Her miniature is ascribed to the same price was paid by Brod Gallery for a beach scene by Jan van Goyen. The latter was sold by the same house in 1959 for £157, 10s. Brod also paid £26,000 for another van Goyen of a village by a river. A Gnardi scene of Venice failed to reach its reserve price.

In Geneva on Thursday night a sale of vintage and veteran cars by Christie's made £194,674. A 1937 Bentley 4 1/2 litre sports car sold for £11,395, a 1930 Alfa Romeo turismo four-door went for £5,511 and a 1957 Mercedes Benz 300 SL two-seater made £7,442. In Rome on the same day prints and drawings made £30,483 with practically every lot sold. A group of prints by Giovanni Battista Piranesi of triumphal arches and other Roman monuments fetched £1,184. The final day (Thursday) by the same artist, from San Marco, went for £49,000 and glass, ceramics and other objects

J. E. Lotard, the traditional attribution when the work is only believed to be a work of the period of the artist - which may be in part his work. Actual attribution to Jean Etienne Lotard (1702-1789) comes in the cataloguing of a miniature of his niece, Mlle. Lavergne from Lyon, and a richly dressed but unnamed young man in powdered wig, both looking rather stern. Horace Walpole once said of Lotard, nicknamed "Le Turc" that "his likenesses were so exact as possible, and too like to please those who sat to him; thus he had great business from the first year, and very little the second."

Mme. Therese Tallien (1773-1835), reputedly one of the most beautiful women of her time, was painted by Louis Andre Fabre (1750-1814). She met the young pro-consul Jean-Lambert Tallien, ardent supporter of the Revolution, when she was married to de Fontenay; both were arrested by Tallien, but unexpectedly liberated because the consul was so captivated by her beauty. She later married him and had a daughter called Thermidor, the name for the month of August in the Revolutionary calendar. Although the marriage survived most of the chaotic reverses of fortune during the revolutionary years, it was eventually dissolved by order of the tribunals, and in 1805 Therese married, for the third time, Joseph de Caraman, Prince de Chimay.

Mme. de Segur was not just a fashionable Parisian. Born Sophie Rostopchine in 1789, daughter of a Governor of Moscow, she was the author of some well-known children's books including Les Malheurs de Sophie (1864), and many tales for the Bibliotheque Rose. One of the highlights of the collection with an estimate of £3,000-£5,000 on it, is Etienne Charles de Guey's rendering of Pauline Bonaparte, Princess Borghese (1780-1825), the second and favourite sister of Napoleon. In an even higher price bracket is Jean Baptiste Isabey's Prince Napoleon Louis, aged five, younger son of Louis Bonaparte, King of Holland. The English School includes work by William Essex, enamel painter to Queen Victoria, and John Smart (1742/3-1811), whose appealing rosy-cheeked likeness of his two-year-old son John James was sold at Christie's in 1937. There is also a rather fierce representation by Henry Bone of Ann Bacon, co-tutee tutor to Edward VI, second wife of Sir Nicholas Bacon and mother of Sir Francis. Note: Additional viewing for this sale is to-morrow (Sunday), from 2 p.m.-4.30 p.m.

PAMELA JUDGE

JUNE FIELD

SOtheBY RECORDS advertisement featuring a pocket watch image. Text: This Breguet silver and gold mounted tourbillon watch, inscribed 'Pour le Prince Reprin en Novembre 1810', was sold in Zurich for £50,000 - a world auction record price for any watch. Sotheby's Parke Bernet & Co., 34-35 New Bond Street, London W1A 2AA. Telephone: 01-493 8080. Telegrams: Abinitio, London. Telex: London 34454 SPBLONG

COMPANY NOTICES, ART GALLERIES, PERSONAL, BUSINESS AIRCRAFT, BUSINESSSES WANTED, MANUFACTURING BUSINESSES, CLUBS. Includes Gold Fields Group notice, ITO-YOKANO CO. LTD., and various gallery listings.

HOME NEWS

Government Actuary says Civil Service overpaid

BY ERIC SHORT

CIVIL SERVANTS' pay has become too high compared with that of equivalent private sector employees when the current value of pension benefits is taken into account, the latest calculations of the Government Actuary imply.

return assumption was in line with that being made by all leading consulting actuaries in assessing the contribution levels on private schemes. Actuaries had to look at not only the immediate position, but the expected pattern over the next 20-30 years.

Bank recruits Treasury expert in extensive list of changes

BY MICHAEL BLANDEN

THE BANK OF ENGLAND is recruiting a specialist from the Treasury as one of two appointments from outside, forming part of a big round of senior changes in the Bank's staff.

Mr. David Walker is moving to the Bank from the Treasury, where he is concerned with reserves management, covering areas such as sterling balances, exchange rate policy and foreign exchange borrowing.

Mr. Walker, 37, who is joining the Bank on a permanent basis, is a young economist of high reputation. He joins the Bank in July as a chief adviser, succeeding Mr. M. J. Thornto as chief of the Economic Intelligence Department on his retirement early next year.

The appointments are part of a series to be made in the coming months, arising in part from senior retirements.

They include Mr. Rodney Galpin, a deputy chief cashier, at present in charge of the banking and money market supervision division, to become chief of establishments in place of Mr. K. J. S. Andrews, who retires in early 1978.

Other appointments are: Mr. A. L. Coleby, a deputy chief cashier, takes Mr. Galpin's present responsibilities; Mr. E. A. J. George, so adviser, Overseas Department, to be a deputy chief cashier; Mr. C. A. E. Gumbard, an adviser, Economic Intelligence Department, to be a chief adviser; Mr. Richard Ewbank, first deputy chief, Overseas Department, to be an adviser, Overseas Department; Mr. G. J. MacGillivray, an adviser, Overseas Department, to be first deputy chief there.

Mr. D. G. Holland, C.M.G., a deputy chief, Economic Intelligence Department, to be a deputy chief, Overseas Department; Mr. L. A. Dicks-Mireaux, a deputy chief, Economic Intelligence Department and Head of Economics Division, to be first deputy chief, Economic Intelligence Department, while continuing as Head of Economics Division, when Mr. A. F. A. Carlisle retires; Mr. A. T. Bell, an adviser, Overseas Department, moves to the Economic Intelligence Department to take charge of the Industrial Finance Unit coming months, arising in part when Mr. J. M. Luce retires.

Call for education to match industry

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

DISCRIMINATION AGAINST arts graduates is urged on industrial companies by a controversial pamphlet published by the 1972 Industry Group yesterday.

It goes on to outline a programme for bringing education into line with the economy's needs.

The purely arts-based graduate must in future be the exception rather than the rule in industrial management, says the group, which is composed of Labour Party supporters concerned with management of industry and commerce.

Companies needed to realise that graduates from the technological and scientific subjects "must predominate at all levels of management and at Board level."

The pamphlet—as yet by far the most challenging industrial contribution to the Government's debate on educational reform—was prepared by a seven-strong working party headed by Sir

Sigmund Sternberg, a Lloyds underwriter and founder of Mounstar Metal.

The party included former Labour Ministers Lord Brown and Lord Houghton of Sowerby. One of its three advisers was Lord Crowther-Hunt, former Minister of State for Education and Science.

While no single factor could explain British industry's backwardness compared with European competitors, there was an obvious difference in the kind of people recruited for management, according to the pamphlet.

Its main proposals include: Adjustment of pay levels to favour those with professional and relevant qualifications; selection for posts to business schools should emphasise experience in management; subjects based on literacy, numeracy and knowledge of science and technology should be compulsorily included in school exams.

Carriers Page 4.

Hattersley and CBI still in conflict on controls

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

MR. ROY HATTERSLEY, Secretary for Prices, seems no nearer to accepting the Co-ordination of British Industry's views about the planned changes in price controls.

As the row rumbled on yesterday Mr. Hattersley said: "My fear is that the CBI will look at the proposals more in terms of theology than practicality."

"I hope the CBI reaction is out to be based on doctrinal prejudice. We want to talk about the real world of the British economy rather than economic theory and philosophy."

"There will be difficulties with the CBI," he told a Press conference in Glisgow, "but I want a Price Commission that the CBI has faith and confidence in."

His comments provoked a sharp retort from the CBI. "Mr. Hattersley would be quite wrong to assume that our objections are doctrinal," it said.

"Our objections are very much based on practicalities. It is not practical, for example, for a company to have its prices frozen for three to five months when all it is doing is passing on increases in raw materials costs."

Mr. Hattersley made it clear that he hoped the CBI, in spite of its reservations, would operate to establishing the right sort of price commission agency. The CBI said its co-operation depended on how far its objections were taken into account.

The Minister said he would like the CBI's advice in selecting a chairman for the Commission. He had some omeas in mind, and would like to make an announcement at the time he presented a Bill in the Commons.

Steel dumping inquiry

BY ROY HODSON

AN ANTI-DUMPING investigation is to be conducted by the Department of Trade, at the request of the British Independent Steel Producers' Association, into imports from Austria of high speed and tool steel bars.

The British private sector steel companies believe that Austrian steel now accounts for about 10 per cent. of the British market in both products.

The move is the latest attempt by the British producers to check the rise in imports of special steel. About 70 per cent. of the British market in tool steel, high-speed steel, and stainless steel bars worth £100m. a year, is now reckoned to be held by imports trading at prices the British makers find hard to match.

New Oval plans have Minister's backing

By Quentin Gurdjian

A FURTHER attempt is made to agree plans for modernising the Oval cricket ground this time with the backing of Mr. Denis Howell, Minister of State, Department of the Environment, with responsibility for sport.

Schemes for improving the South London ground go back to the early 1960s. Richard Carlton, the construction group, was involved in development projects which would have included an office block and improved sports facilities for both the Sussex County Cricket Club and Lambeth Borough Council.

No agreement, however, could finally be reached on the extent of facilities the developers should provide for the ground authority and the scheme finally fell through last year.

The cricket club appealed to Mr. Howell and this week he chaired a meeting with representatives of the Duchy of Cornwall, landlords of the ground, the Greater London Council, Lambeth Council and the club.

Mr. Howell and the other parties, agreed on the importance of maintaining the Oval as a Test Match ground and its potential for providing recreational facilities for the local community.

A working party is to be established under the chairmanship of Lambeth Council. The Sports Council and the Greater London Council and South East Regional Council for Sport and Recreation will be asked to join the discussions.

Welsh Agency invests in Mole wrench

By Our City Staff

THE WELSH Development Agency, counterpart of the National Enterprise Board for Wales, yesterday announced its first substantial industrial investment with a £250,000 cash injection for Mole and Son, the Newport company which produces the Mole wrench.

The agency, which has a budget of £100m., says that negotiations in five or six companies are near completion, and discussions with 20 more are well advanced. The £250,000 investment in Mole is of £100,000 represented by 5 per cent. Cumulative £100,000 stock 1982-85, and a £150,000 medium-term loan.

Resulls Page 14

State Oil spend nears £400m. in its first year

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE BRITISH National Oil Corporation has spent about £400m. in its first year of operations, its annual report will show to about 15 per cent. more than the £350m. published in late May or in the initial draft was discussed.

The initial draft was discussed by the Board at its monthly meeting in Glasgow yesterday. Parts of it are being rewritten before the report is submitted to Ministers.

Lord Kearton, the first year's expenditure, although no figure would include £92m. agreed with the National Coal Board, whose North Sea commitments were taken over by the corporation.

The Coal Board's half-share in the Viking gas field had given the corporation its only income from a Freeport in its first year, although where more quick than expected to be high, and had also involved extra expense in development work.

The field was smaller than originally expected, and at present gas prices, was no bargain for the corporation, Lord Kearton added.

Another £400m. buying into 1978. It would be making a smaller year to raise the future.

The Corp be making a smaller year to raise the future.

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eight modules from a Freeport in its first year, although where more quick than expected to be high, and had also involved extra expense in development work.

used to increase available production means of h-stress as s

Development tax to be relaxed

BY IVOR OWEN, PARLIAMENTARY STAFF

SOME RELAXATION in liability from the a Development Land Tax will result from a provision to be included in the coming Finance Bill.

This was announced to the Commons yesterday by Mr. Denis Davies, Treasury Minister of State, in a written reply to Mr. Iain Stewart (C Hitchen).

Mr. Davies stated: "Where, under the terms of a lease or agreement for a lease, the owner of an interest in land undertakes to hear some or all of the cost of a building subsequently to be erected on that land, in accordance with the law now stands, but taken of those costs in calculating his development land tax liability."

"Accordingly where the rent reflects the value of the site as developed, more tax may be charged than is justified. The Chancellor proposes to include in the coming Finance Bill provision to allow costs incurred in such circumstances as expenditure on improvements."

"This provision will take effect from 1st April 1976."

Unilever comp to cars

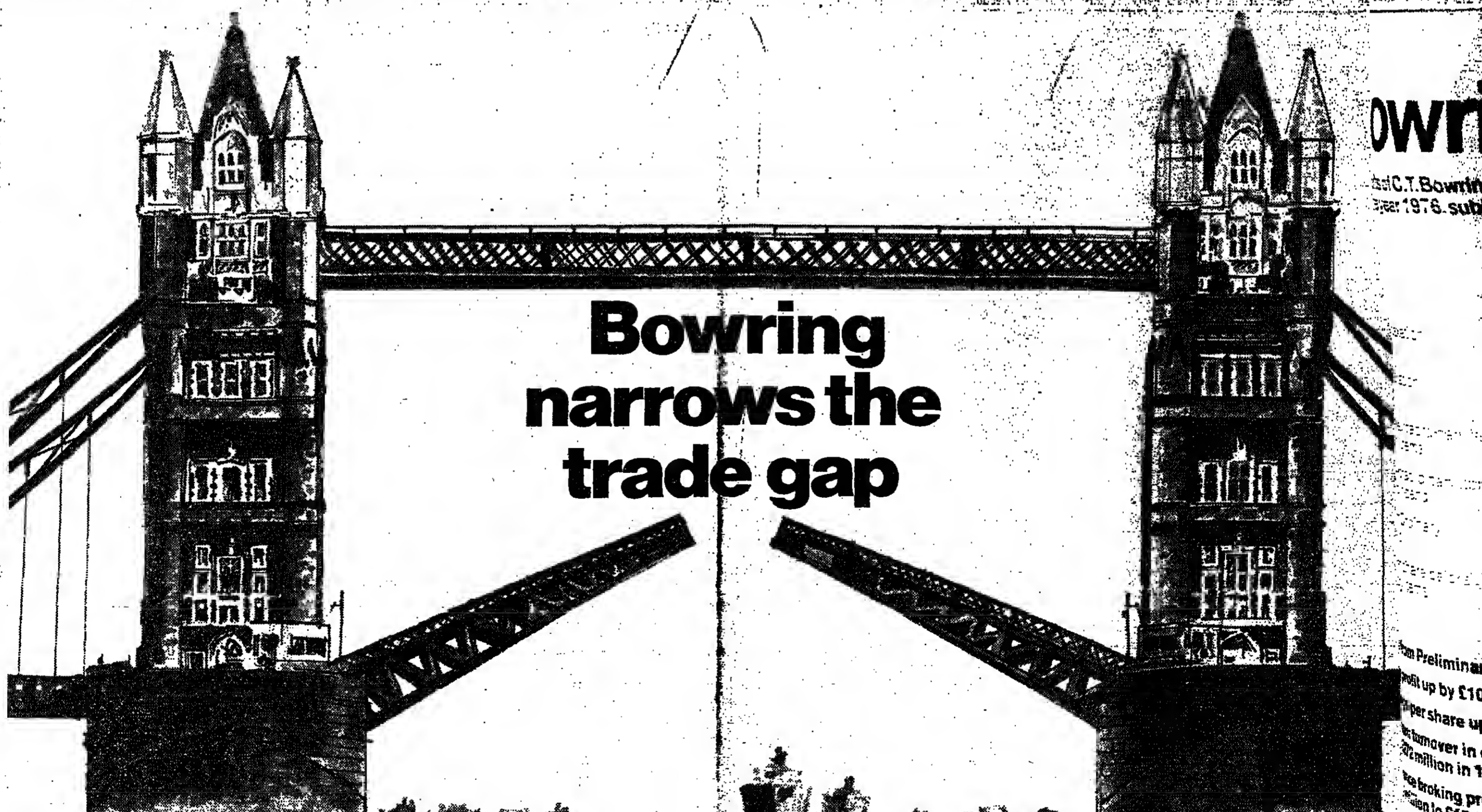
By Terry I

A COMPUTING company in London was to buy Unilever cars for sale.

The system cars for sale. The system cars for sale.

Unilever on the way to get 600 d cars. Unilever on the way to get 600 d cars.

Many large on, a subst service is fr



Bowring narrows the trade gap

...with premium turnover in overseas currencies of £447,000,000 in 1976.

During the past two years Bowring insurance broking has increased its premium turnover in overseas currencies two and a half times, namely from £177,000,000 in 1974 to £447,000,000 in 1976.

This is in addition to Bowring's overseas earnings from insurance underwriting, shipping, trading and banking and its income from overseas subsidiary and associated companies.

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own C.T. Bowring 1976 sub

Preliminary profit up by £10.4 per share up turnover in over £20 million in 1976 broking profit to £17.1 million profits up to £5.9 million profits from property to recommend total of 4.95 pence permit

OVERSEAS NEWS

Japan to let U.K. issue currency bonds in yen

LAS RAMSEY

TOKYO, March 25

not oppose the use of the yen for currency bonds... The Japanese Ministry of Finance here endorsed what was believed was a head in January for issue to be placed of sterling.

of the Eschequer. Mr. Denis Healey, will soon announce plans for foreign currency bond issues worth about \$1bn, three-quarters of the total in dollars and the rest divided up between yen, Deutschmarks and Swiss francs.

Labour's delay Indian cabinet

HARMA

NEW DELHI, March 25

Janata Party Government tarnished its image despite hectic cabinet portfolios and a succession of day to day agreements on memorandum of Ministers.

Many leaders of the Janata Party met Mr. Ram all day to persuade him to change his mind on his decision, announced in a private meeting after Mr. Desai's election that he would not merge the Congress for Democracy with the victorious Janata Party nor that he would participate in the Government.

Congolese execute ex-leader

BY DAVID CURRY

M. JACQUES CHIRAC, until last September, Prime Minister of France, was executed by a firing squad at dawn today after being sentenced to death by a military tribunal for his alleged role in the assassination of President Marien Ngouabi.

Jacques Chirac takes over in Paris

BY DAVID CURRY



M. JACQUES CHIRAC

Union of the Left. Only two councillors elected on the ticket of the Gaullist Party, member of Parliament for the Corrèze, and almost certainly future candidate for the Presidency of the Republic, was today elected the first mayor of Paris for 106 years and only the 12th in the city's history.

of the Industry Minister, M. d'Ornano, whose nomination as official Government candidate for prime minister, M. Raymond Barre, who is well respected by the Gaullists, sent warm congratulations to the new mayor, President Giscard may have gleaned a certain comfort from the reflection that the majority of Paris has proved fatal to the ambitions of several earlier incumbents.

Philippines autonomy move near

BY OUR OWN CORRESPONDENT

MANILA, March 25

PRESIDENT Ferdinand Marcos is to issue a decree tomorrow or in the next few days proclaiming autonomy in 13 southern Philippine provinces and forming a provisional government, informed sources said today, following an official announcement of a forum proposed by Libyan President Moammar Khaddafi to settle the four-year-old Filipino Muslim revolt for autonomy.

Italian Senate approves direct European elections

BY PAUL BETTS

ROME, March 25

AS THE COMMUNIST Mayor of Rome, Sig. Carlo Azeglio Napolitano, today the 20th anniversary of the signing of the Treaty of Rome, the Italian Senate approved the proposed European Community legislation for direct elections to the European Parliament.

called "European" economic miracle, they were in fact heralding the beginning of the economic crisis which has hit Italy first and perhaps more than any other member state. Sig. Argan appealed to the Community heads of state not to work so much towards "wealth and welfare" but towards the political and social "dignity of the European movement."

Soares shuffles Portuguese cabinet

BY DIANA SMITH

LISBON, March 25

SR. MARIO SOARES, the Portuguese Prime Minister, today announced several major changes in his controversial Socialist Cabinet, representing an easing out of difficult personalities and a small shift to the Right.

Ireland plans £80m. zinc smelter

BY OUR OWN CORRESPONDENT

DUBLIN, March 25

THE IRISH Government has announced plans for construction of an £80m. zinc smelter to process ore from the mines at Navan, County Meath, probably the Republic's biggest industrial project yet.

U.S. double tax on dividends may end

BY STEWART FLEMING

NEW YORK, March 25

THE U.S. Treasury is actively studying proposals to end what is known as the "double taxation" of corporate dividends, according to Mr. Laurence Wood, Assistant Treasury Secretary for tax policy.

Norway oil concessions

BY FAY GJESTER

OSLO, March 25

NORWAY'S Government proposes to allow petroleum prospecting on 16 additional blocks or part blocks in the Norwegian part of the North Sea, below the 62nd parallel, it was officially announced yesterday.

Kaunda criticises West

BY OUR FOREIGN STAFF

MINORITY regimes, and in no uncertain terms, criticised the West for failing to achieve peaceful settlements in Southern Africa or to prevent the flow of oil and arms to Rhodesia.

Bowring

Results of C. T. Bowring & Co. Ltd. for the year 1976, subject to audit:

Table with 3 columns: Item, 1976, 1975. Rows include turnover, profit before taxation, profit after taxation, etc.

- Highlights from Preliminary Announcement: Group profit up by £10.4 million, Earnings per share up by 80%, Premium turnover in overseas currencies up from £272 million in 1975 to £447 million.

C. T. Bowring & Co. Ltd. Bowring Building, Tower Place, London EC3P 3BE. Tel: 01-283 3100 Telex: 888321

LASER MACHINE MODIFICATIONS

MELBOURNE, Florida, March 25

MINOR modifications will be made in Laserphoto and Laserfax facsimile photo machines to comply with new regulations established by the U.S. Food and Drug Administration, Harris Electronics Systems, the manufacturer, announced today.

Sweden completes Gotaverken move

BY JOHN WYLES, SHIPPING CORRESPONDENT

STOCKHOLM, March 25

THE SWEDISH Government has extended its already substantial ownership of the country's shipbuilding industry by acquiring the 49 per cent. Saleninvest shareholding in the Gotaverken group.

Earnings fall at Billerud

BY WILLIAM DUFFORCE

STOCKHOLM, March 25

BILLERUD, the Swedish forestry products company, recorded an earnings fall for the second year running in 1976, according to the preliminary report for the year. Pre-tax earnings are stated as Kr.55m. (£7.5m.) against Kr.87m. in the previous year, Kr.388m. in 1974 and a 1972-76 average of Kr.117m.

Higher ITT capital spending in 1977

BY WILLIAM DUFFORCE

NEW YORK, March 25

TELECOMMUNICATIONS markets show excellent prospects for renewed, vigorous growth, since the demand for both traditional equipment and newly developed technologies far exceeds the capabilities of systems presently in use throughout Europe, the annual report said.

INTERNATIONAL COMPANY NEWS

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Head Office Editorial & Advertisement Offices: BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY

Peter Riddell, Economics Correspondent, examines the Budget opportunities open to Mr. Healey on

Restraints on the Chancellor's room for manoeuvre

Politics and markets

EQUITIES, AFTER touching their highest point for 3 1/2 years, turned suddenly weaker at the end of last week because of the uncertain political situation;

of remaining in office until the election prospects look brighter for his party but an opportunity of reversing the steady drift towards the Left.

MR. DENIS HEALEY has the opportunity on Tuesday to deliver one of the shortest Budget speeches on record, though almost certainly he will not want to miss the chance, in front of a packed House, to outline the rewards ahead after the pain and struggles of his first three years in office.

volume of manufactured exports has so far been much smaller than hoped. Consequently, many forecasters believe that the rise in total output, Gross Domestic Product, may be nearer 1 per cent in 1977, than the 2 per cent rise projected by the Treasury in December.

and bringing the current account of the balance of payments into surplus. The higher import costs resulting from last year's sharp drop in sterling have meant that the inflation position has deteriorated in the last few months.

tax amounting to £2bn. in 1977-1978, offset if necessary by further spending cuts, while a number of other bodies have said that any offset should be via increases in indirect taxes.

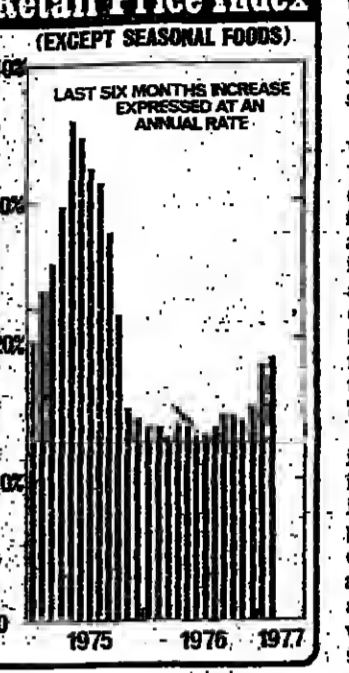
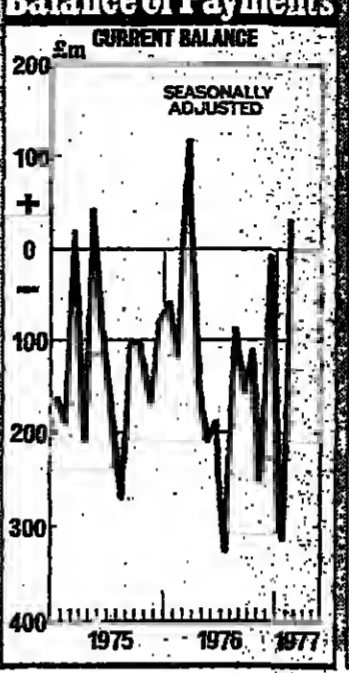
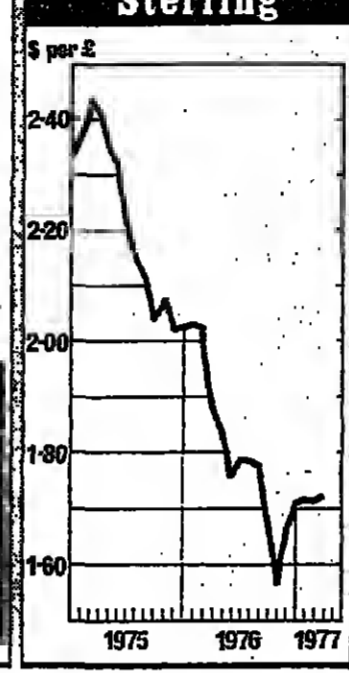
way indicated by the forecasts, and announce a limited amount of tax cuts in the Budget with the promise of further unspecified fiscal action later on, depending on the pay talks and the state of the economy.

the impact of a spread over a few years. Other means to be included in new personal tax working trade abroad a 10p tax relief losses made on borrowings.

It may seem strange that investors should have regarded the prospect of an immediate general election, which would very probably have entailed a change of Government, with such alarm. But it does seem to be the case that many voters, however low their opinion of the Government's record, felt that an election at this time, with the Budget and the Phase Three negotiations imminent and the shape of the Opposition's alternative policies not yet clear, would make an uncertain outlook more uncertain still.

But his scope here, too, is limited, since he intends his Budget to help persuade trade union leaders to recommend an acceptable formula for Phase Three, with higher indirect taxes that would inevitably push up the cost of living still further. It is possible that the TUC, having been forced this week to face the prospect of a Conservative Government, will now be somewhat more amenable; but it is the attitude of the rank-and-file which matters in the long run.

This has little to do with the political events of the past week. Indeed, Sir Geoffrey Howe, the Shadow Chancellor, made it clear on television on Thursday night that the overall balance, if not the details, of any Budget he might hypothetically introduce next week, would not differ very much from Mr. Healey's likely approach.



It is still far what type of agriculture will emerge from a wide-open dooring wage inflation are already, for example, a rise 5.5 per cent in 10 months of the policy against 7 per cent for 12 months. But if the increase is contained in a real hope, improvement in wages, and a stable economic environment, it is who argue that should not be a deal with the not only bound third year of the be possibly more concerned that the Government interest rates and should change rate. Apart from wages explosion, strategy lie in hoped growth in world output.

Letters to the Editor

NI contributions

From Mr. E. Reeves. Sir—Mr. D. Forbes (March 7) draws attention to the percentage increase in National Insurance contributions from both employees and employers from April 6, 1977, as outlined in leaflet NI 208/Apl. 77.

Automation

From Mr. P. Kreamer. Sir—"Do we need car assembly plants?" Sub-assemblies and components for motor cars seem to increase in their complexity and decrease in numbers with every new model monetary terms this process continues, can we look forward to the day when huge final assembly plants with all their industrial relations problems will become unnecessary?

Incentives

From Mr. G. Vescey. Sir—Long before the Meade Committee came out in favour of an expenditure tax as opposed to income tax we have heard powerful arguments for such change in our tax system.

Trade

From Mr. W. Wholley. Sir—Mr. R. Ernest's response (March 22) to my letter querying the effects of multiple exchange rates on the overall picture.

Madness?

From the Chairman, City Conservative Forum. Sir—Reading Lex (March 24) is entitled to ask: has the City gone mad?

Rates

From Wing Cmdr. D. Martin. Sir—Local authority loans are popular. Local finances might be encouraged to deposit money with their own local authority.



"I haven't been happy for years" For many elderly people, going into a "fl" seems like the end of the world. Nevertheless, our headline is a typical quote from one of our residents' letters.

Coalition

From the Managing Director, Thomas Thomson Group Holdings. Sir—Now that we have effectively a form of coalition Government can we have a "common sense" party in power for a change?

Documentation

From Mr. F. Bogshaw. Sir—Your article (March 17) concerning the diminishing role of letters of credit, while reflecting the current situation does not make the point that paradoxically the use of LCs in trade with certain areas of the world should be increasing.

Automation

From Mr. P. Kreamer. Sir—"Do we need car assembly plants?" Sub-assemblies and components for motor cars seem to increase in their complexity and decrease in numbers with every new model monetary terms this process continues, can we look forward to the day when huge final assembly plants with all their industrial relations problems will become unnecessary?

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Handwritten notes at the bottom left of the page.

Arthur Sandles takes a look at the Annan Report

Not so free airwaves

LINES between Parliament must have the power to decide the number of telecommunications and nature of the broadcasting services—who should provide them, how they should be financed, and what priority should be given to them. The report at no time faces up to the dilemma that if you do not license and supervise news, magazine and book publishing, then there might have to be very strong additional arguments for applying such licensing and supervision to all forms of broadcasting. In terms of national networks, of course, the old rationing arguments still apply, but that may not be the case across the broad spectrum of broadcasting. Even nationally the Government soon will be in a position where it is withholding broadcast facilities from the fourth television channel already available there will be eight new channels free soon from the rapidly dying VHF 405 line system. On top of that Britain has been allocated five Super High Frequency (SHF) channels which could give national programmes from direct satellite transmissions.

A recent gathering of American and European broadcasting experts in Berlin, including Lord Annan, discussed this very issue. The meeting was organised by the Aspen Institute which is currently in the middle of an American-style Annan inquiry. At this gathering the whole argument about the freedom of broadcasting quickly centred around CB radio, an explosively expanding business in the U.S., but hardly known about in Britain where it is illegal. West German many has recently introduced

Changes

Any American citizen over 18 may hold a CB radio licence. It entitles him to broadcast over any of the 40 channels available, providing he can afford the upwards of £100 that his transmitter-receiver will cost. For his five-year licence he pays \$4. CB was originally introduced in 1948, but the equipment was expensive and the rules restrictive. In 1975 there were considerable changes. Now the only

things that are banned are music (because of copyright problems), profanity, advertising, and any broadcasting connected with illegal activities.

Over the years CB has become increasingly sophisticated. Channel 11 is for contact only. You make your rendezvous on 11 and then switch to another channel which is less busy for the actual conversation. The chat—limited to a five minute maximum—is much wider in scope than might at first be imagined. Lorry drivers will exchange notes about radar traps, breakdowns, and the condition of the ham-burgers at local fast food restaurants. Housewives will exchange recipes and college students will discuss studies. On car journeys drivers converse, exchanging abuse and information.

So heavy has demand become for CB equipment that an instant licence system has recently been introduced which gives you a licence when you purchase the equipment. This temporary licence lasts for 60 days. It is normal for a purchaser to make heavy use of his equipment for the first three months, particularly for listening, and then, as the novelty wears off, he settles down to a serious use.

Newspapers

The majority view of the Annan Report is that "once public an alarmingly powerful means of communication. In Italy recently the collapse of the control of the radio waves has proved a major weapon in the hands of students and Left-wing groups organising protest rallies. Information about police blockades and crowd rendezvous on with teletext "for several years," and that the newspaper

code, and the authorities are frequently outmanoeuvred. In Britain the importance of CB equipment, the use of which is illegal and of two-way radio systems, which are licensed for special purposes only, is widespread. Prosecutions for the use of such equipment are, however, rare. Evidently a commercial market exists, since a number of shops openly sell the equipment.

Annan says nothing positive about CB at all. The report suggests that the regulations against the import and sale of CB and two-way equipment should be tightened, but otherwise avoids the issue. "If the Government decides to allocate frequencies in future for a Citizens' Band in the U.K., the use of this band must not cause interference to other services, including broadcasting."

Economic Diary

TO-DAY—Two-day EEC Heads of Government summit ends, Rome. British Leyland toolroom workers' meeting in Birmingham considers recommendation by its executive to boycott management/union working party set up by Leyland Cars.

SUNDAY—Three-day meeting of EEC Agriculture Ministers ends, Brussels. British Rail parcels charges rise by average of 15 per cent.

MONDAY—Debate on defence estimates ends, House of Commons. Further session of talks on Anglo-U.S. air agreement scheduled to begin in Washington. National income and expenditure in fourth quarter and year 1976. Quarterly analysis of bank advances (mid-Feb.).

TUESDAY—Mr. Denis Healey, Chancellor of the Exchequer, presents his Budget. Mr. Robert Muldoon, New Zealand Prime Minister, arrives in London for four-day visit. EEC Energy Ministers meet, Brussels.

WEDNESDAY—Budget debate continues, House of Commons. Stock Exchange members vote on Tallisman computerised settlement scheme. Lloyd's Register of Shipping annual report. Financial Times two-day conference on International Executive Employment opens. Royal Lancaster Hotel, W.2.

THURSDAY—Stechford (Birmingham) by-election. Budget debate continues, House of Commons. House of Lords rises for Easter Recess until April 19. Unemployment (Feb. final). Employment in production industries, and overtime and short-time working in manufacturing industries (Nov. Dec. and Jan.). Stoppages of work due to industrial disputes (Feb.). Energy Trends published.

FRIDAY—Mr. Cyrus Vance, U.S. Secretary of State, due to arrive in Britain following his visit to Moscow. Domestic coal prices up by average of 15 per cent and gas prices by average of 10 per cent. Charges for private pay-beds in NHS hospitals increase by between 10 and 24 per cent. British exporters pay higher premiums for export credit insurance.



Terry Koh

would then be given a chance to protest if they wished. Five members of the committee thought it wrong that the present broadcasting franchise holders should be given this medium simply because they were the present broadcast franchise holders.

Annan devotes three paragraphs to satellite broadcasting in the chapter on new technology and says, "We consider it essential that broadcasting satellite services should be licensed and regulated in the same way as the present broadcasting services. Since satellite broadcasting services will provide only national coverage, we recommend that the BBC, as the main instrument of national broadcasting, should carry the responsibilities for the transmission of such services." Although Annan says that the BBC should not necessarily be the programming company it has been suggested that the Corporation would be unlikely to be an aggressive negotiator on behalf of a service which might be competitive with BBC 1 and 2.

It is in the field of local radio that the Annan Committee has already come in for some of its heaviest criticism. In his comments after the report, and judging also by the committee's remarks in the report itself, Lord Annan clearly sees a Britain in which there is one radio station each for hundreds of localities. Again the criteria are not to be the availability of cable or air space, but simply whether or not a Government-appointed Local Broadcasting Authority feels that the applicant is the right person for the job. The major argument for this, both in radio and television, is a strong one. It is that an abundance of services lowers the quality of the total service. With scarcely enough talent to provide good radio and television for the present facilities, there is little case for expanding further. This, however, as was being argued by many at the Aspen Institute's meeting in Berlin, implies a control over broadcasting which is absent from any other form of publishing in the free world.

The key paragraph as a clue to the Annan Committee thinking is as follows: "If everyone were to have an unqualified right of access to broadcast, either there would be hundreds of small stations and the access groups using them would have no influence at all; or the broadcasting channels, hitherto used in an intelligent and professional way to provide a variety of views and programmes, would become an aerial Hyde Park Corner." Which is why Annan plumped for a system which places all broadcasting under four authorities, each with a central board appointed by the Cabinet.

ABOUT NEWS

own hall industrial nocracy opposed

MR CHURCHILL, LABOUR STAFF

A local government also submitted to the Department of the Environment, and is likely to require legislative changes and it is these which the Tories in local government feel might be difficult for the Government to achieve.

But the Government's commitment to extending industrial democracy was emphasised yesterday by Mr. Harold Walker, Minister of State for Employment. He said that this would be "potentially the most far-reaching and beneficial social change that would be seen in this country during the remainder of the century."

"The trend is irreversibly towards more consultation, more involvement, more joint decision making," he added.

In a policy statement yesterday the National Union of Bank Employees made it clear it was expecting a bigger say at Boardroom level in banks and financial institutions when worker-directors were made law. This was certain to lead to a clash with management in the banking and finance sector, says the union, as a number of employers have made it clear they are against worker-directors.

The TUC disputes committee is shortly to rule on another EPEA-TASS battle, this time at a GEC plant at Whetstone, near Leicester. Mr. Gill said that whatever the decision, the TUC would be discussing the issue with the union.

Estimates of the number of professional engineers not in trade unions range up to 200,000. The EPEA is the TUC union which the professional body, the Council of Engineering Institutions, has recommended to its members as appropriate.

C intervenes in union recruitment dispute

MR LABOUR CORRESPONDENT

has told the white Union of Engineering Technicians (TASS) of the EPEA. What we have refused to do is to reach some sort of carve-up in the engineering industry because they do not have a base there."

Mr. Gill added that in the light of a decision by the Confederation of Shipbuilding and Engineering Unions to oppose it, the EPEA stood no chance of beating the TUC in the private sector.

He said neither the confederation nor many management organisations wanted another union because of the damage that it would do to industrial relations.

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men win \$12,000 back-pay

CREWMEN aboard a Federation after intervention by local ITF representatives and a been prevented from official of the National Union of Seamen.

Late yesterday he was negotiating flight fares home for the army Lian had been crew, the Greek captain, and for five days by action chief engineer, who were dismissed earlier in the week.

nmell Laird strike spreads

MR LABOUR STAFF

tion at Cammell of the Boiler-makers Amalgamated (BMA) is gamated—who stopped work Wednesday by an unofficial strike weeks ago in a demarcation dispute, which spread puts with plumbers.

The Cammell Laird yard was 1,000 boiler-makers closed in January by a fortnight-long picket line. The picket line was broken by 450 skilled men—the strikers—members over 22 training allowances.

Price Commission inquiry probes paint profits

BY RHYS DAVID

DECORATIVE PAINT prices and profit margins at the manufacturing and retail stage are to be investigated by the Price Commission, Mr. Roy Hattersley, Secretary for Prices and Consumer Protection, announced yesterday.

The reference is being made because of what the Government evidently feels are excessive variations in the prices of the same household paints, although Mr. Hattersley giving a written Commons answer, said other factors in the pricing of paints would also be scrutinised.

The Paint Makers' Association which represents most of the manufacturers in the industry said last night that it was sure the inquiry would discover that had generally not kept pace with increases in raw material costs. A Most paint constituents are derived from oil and as a result have been affected by the decline in the value of sterling over the past year.

The wide variations referred to are evidence of the undoubted bargain that paint represents to the consumer. Never before has he had a wider choice of product and price," Mr. Leveite said.

As for the professional and trade market the Minister will find no worthwhile evidence to study. The recent vast increases in raw material prices which paint manufacturers are being faced with will merely ensure substantial increases will be inevitable within the next few months," he said.

In decorative paints, ICI is the market leader with about 30 per cent, followed by Crown and Berger with up to about 15 per cent each, and Donald MacPher-son, the Woolworths supplier, with about 10 per cent.

Tobacco substitutes report to be circulated soon

BY STUART ALEXANDER

THE HUNTER Committee at last use them will be bedged by conditions and qualifications. Although the new materials were specifically developed to reduce the tar delivery in cigarettes, it is unlikely that the Hunter Committee will say any other than that it finds the cellulose substitute no less harmful than tobacco.

Its view on additives is more of a mystery. As well as research, it could partly base its opinion on long-term usage in other countries (in the U.K. flavour boosters are not permitted in the manufacture of cigarettes).

A parliamentary question has been tabled for next week by Mr. Laurie Pavitt, chairman of the Labour Party Health Committee, to ask Mr. David Ennals, Secretary for Social Services, to make an announcement on the health implications of the marketing of substitutes and thought that any permission to capturing an increasing share of the market.

These are likely to include provisions for long-term monitoring, controls on advertising claims, minimum levels of information to be included on the pack, and a requirement for information to be included on the pack.

The most common proportions being tested are 20 and 25 per cent of the substitute. Cigarettes containing this level have been launched in Switzerland and Germany, but have met with very limited commercial success.

This king-size sector, which has been growing rapidly in the U.K., will probably be used first for launching the new materials.

Apart from its expected long-term dominance of the market, it also ties in with the experimental U.S. where low-tar cigarettes have been marketed since 1965 and thought that any permission to capturing an increasing share of the market.

Regional Properties threatens action over property purchase

BY MARGARET REID

REGIONAL PROPERTIES said last night that it was sue for the recovery of damage it had allegedly suffered in connection with its £94m purchase of a property in Kensington, West London.

The company's statement followed the disclosure that detectives from Scotland Yard's Commercial Branch had taken over a police investigation of certain matters arising in connection with the acquisition.

A report in last night's London Evening Standard said that the large site in Kensington zoned as residential had been bought by a London-based property company some four years ago for £94m. The purchasing company had believed it could use the site for commercial development and thought it could easily get planning permission.

The main aspect of the police inquiry, the newspaper report added, was understood concern how this mistaken impression had arisen.

In a subsequent statement through its solicitors, Brecher and Co., Regional Properties said that it was the purchaser of the large site referred to in the newspaper report.

The property company went on to say: "In the light of information which has recently become available to the company, its solicitors have already been instructed to institute proceedings for the recovery of damages suffered by the company."

There was no indication as to the party or parties against whom the proceedings would be taken. The statement added: "The site has been written down to its existing use value and the company's accounts at March 31, 1976, therefore reflected the damages which the company has suffered, and is now seeking to recover."

It is not clear whether police officers from Chelsea CID have been conducting inquiries into the matter for some time. The matter has now been passed to Scotland Yard's Commercial Branch, the former Fraud Squad.

Economic Diary

TO-DAY—Two-day EEC Heads of Government summit ends, Rome. British Leyland toolroom workers' meeting in Birmingham considers recommendation by its executive to boycott management/union working party set up by Leyland Cars.

SUNDAY—Three-day meeting of EEC Agriculture Ministers ends, Brussels. British Rail parcels charges rise by average of 15 per cent.

MONDAY—Debate on defence estimates ends, House of Commons. Further session of talks on Anglo-U.S. air agreement scheduled to begin in Washington. National income and expenditure in fourth quarter and year 1976. Quarterly analysis of bank advances (mid-Feb.).

TUESDAY—Mr. Denis Healey, Chancellor of the Exchequer, presents his Budget. Mr. Robert Muldoon, New Zealand Prime Minister, arrives in London for four-day visit. EEC Energy Ministers meet, Brussels.

WEDNESDAY—Budget debate continues, House of Commons. Stock Exchange members vote on Tallisman computerised settlement scheme. Lloyd's Register of Shipping annual report. Financial Times two-day conference on International Executive Employment opens. Royal Lancaster Hotel, W.2.

THURSDAY—Stechford (Birmingham) by-election. Budget debate continues, House of Commons. House of Lords rises for Easter Recess until April 19. Unemployment (Feb. final). Employment in production industries, and overtime and short-time working in manufacturing industries (Nov. Dec. and Jan.). Stoppages of work due to industrial disputes (Feb.). Energy Trends published.

FRIDAY—Mr. Cyrus Vance, U.S. Secretary of State, due to arrive in Britain following his visit to Moscow. Domestic coal prices up by average of 15 per cent and gas prices by average of 10 per cent. Charges for private pay-beds in NHS hospitals increase by between 10 and 24 per cent. British exporters pay higher premiums for export credit insurance.



Read all about it in the FT.

Budget Day, Tuesday March 29, is the most important date in the financial calendar. The day when the Chancellor's pronouncements have a direct affect on every man, woman and child in this country.

And the obvious place to read all about it is in the most authoritative voice on financial affairs: the Financial Times.

On the morning following Budget Day, the FT will give you its usual in-depth analysis of every aspect. Including the implications for the economy, business, industry, personal and family finance.

So if you want more than the bare facts turn to the Financial Times first for the widest range of expert, informed comment. Make certain of your daily copy.

WALL STREET + OVERSEAS MARKETS + INTEREST PRICES

Further early losses: off 2.08

BY OUR WALL STREET CORRESPONDENT

FURTHER LOSSES were recorded on Wall Street today, when analysts blamed the downturn to concern about President Carter's forthcoming Energy Con-

Closing prices and market reports were not available for this edition.

servation. Proposals, inflation worries and prospects of higher interest rates.

By mid-day the Dow Jones Industrial Average was off another 2.08 at 853.58, making a fall of 27.43 on the week. The NYSE All Common Index, at 554.17, shed 8 cents on the day and \$1.19 on the week.

Declining issues outnumbered advances by a seven-to-four majority, while

to save fuel on the American public, analysts said. Du Pont shed \$1.19, Reynolds Metals lost \$1.40, Revlon declined \$1 to \$381, and TRW eased \$1 to \$351.

Mansanto gave way \$1.17 to \$77.45 in its annual report several factors will adversely affect 1977 results.

THE AMERICAN SE Market Value index eased 0.07 to 122.06, making a loss of 0.40 on the week. Trading volume further declined to 80,000 shares, compared with 100,000 shares yesterday.

Volume leader Financial General Bankshares were up \$1 at \$102.

Leading Banks and Insurances little changed. Industrials generally well maintained.

Dollar stocks drifted lower in moderate turnover. Dutch Industrials very steady, Germans eased.

SPAIN—No major price changes, with most sectors quiet trading.

MILAN—Mixed in fairly active trading. Bonds were quietly steadier.

VIENNA—Generally higher. HONG KONG—Mixed in another day of slow trading.

JOHANNESBURG—Gold shares finished above day's lows, while rest of the market was weak.

TOKYO—Higher on relaxation of Margo Requirements and further fall in outstanding balance of margin trading.

Public Bonds gained up to 10.00, 5.00 and 2.00, nominal of stock. Foreign Mark Loans also

OTHER MARKETS

Canada Mixed

Canadian Stock Markets were mixed yesterday morning. The Gold Share Index put on 5.0 to 132.7, Banks rose 0.35 to 223.06 and Papers firmed 0.25 to 113.13.

Indices

NEW YORK—DOW JONES

Table with columns for Date, High, Low, and Change. Includes Dow Jones Industrial Average, NYSE All Common Index, and other market indices.

STOCKS

Table listing various stock prices and changes, including companies like Johnson & Johnson, IBM, and others.

Table titled 'THURSDAY'S ACTIVE STOCKS' showing price changes for various stocks like Eschsch, Kodak, and others.

Table titled 'STANDARDS AND POORS' showing index values for various categories like Industrial, Composite, and Long Govt.

F.T. CROSSWORD PUZZLE No. 3,340

A prize of £3 will be given to each of the senders of the first three correct solutions... Solutions must be received by next Thursday.

Crossword puzzle grid with numbered squares and clues for both Across and Down directions.

ACROSS: 1 Cross out to have music finished (5, 7), 10 Musical version at sundown (7), 11 Foreign river board with capacity to be drunk (7), 12 A laundry is flooded (5), 13 Doctor and artist incline (4), 14 Person with pull could help towards right and wrong teacher (8), 15 Give a mean welcome to (6), 16 Employer found inside house (4), 17 Stars that mean to bear up (4), 18 Torry on lightning course (4), 19 Thin spar adapted to take from one craft to another (8), 20 Praise sound of former road tax (5), 21 Providing information to be precise to Gateshead (7), 22 Was La Belle Dame Sans Merci seen in harz? (7), 23 Free ride will have no effect (2, 3, 7), 24 Share cost at reduced price (3, 4), 25 The end of the line for BR chairman (8), 26 Have a go at altering ancient game (4), 27 Note film boss has to copy maker (10).

SOLUTION AND WINNERS OF PUZZLE No. 3,334. Following are the winners of last Saturday's prize puzzle:

Mr. A. N. Davies, 'Castellane', East Drive, Wentworth, Surrey. Mrs. D. E. Ingham, 56 Chantry Road, Moseley, Birmingham, B159 DJ. Miss G. Malcolm, 20 Napier Road, Edinburgh EH10 5AY.

RACING BY DOMINIC WIGAN

Miss Filbert likely filly for Lincoln

MISS FILBERT, particularly well drawn at No. 25, looks to have a bright chance of repaying a heavy support to today's Irish Sweepstakes at Doncaster.

With the Guy Harwood-trained Comst Kohoutek out of round one of the Crown Plus Two Apprenticeship Championship, I intend taking a chance with Pat Rohan's own Double Jump colt, Shepherd's Bar.

This four-year-old landed a major gamble in defeating Joshua's Daughter by one and a half lengths in a claiming race at Leicester to the autumn and he could well prove too fast for the well-fancied Newmarket challenger Price Henham.

In addition to Doncaster there are four other meetings to day including a fine National Hunt programme at Newbury, where racing gets under way with two and a half mile Keock Chase.

Here I shall opt to support Tony Dickinson's 10-form Winter Rain, who ran out an easy winner from Blonide Viking and Mr. Pippins at Wolverhampton last week.

Half an hour later another Northern-based trainer, Peter Easterby, holds good prospects of landing the 6.40 P.M. Great Group Hurdle with his sturdy, consistent four-year-old, Stormy Affair.

However, one whom I narrowly prefer here is the lightly weighted Helnan, who ran better than his focal position of sixth place behind extravaganza 31 Saeodown might suggest.

Table with columns for Race Name, Horses, Odds, and other details for various races.

Large table titled 'OVERSEAS SHARE INFORMATION' providing stock prices and market data for various countries including New York, London, Paris, and others.

GERMANY

Table of German stock market data including prices and changes for various companies.

PARIS

Table of Paris stock market data including prices and changes for various companies.

AUSTRALIA

Table of Australian stock market data including prices and changes for various companies.

TOKYO

Table of Tokyo stock market data including prices and changes for various companies.

STOCKHOLM

Table of Stockholm stock market data including prices and changes for various companies.

BRUSSELS/LUXEMBOURG

Table of Brussels/Luxembourg stock market data including prices and changes for various companies.

NOTES: Overseas prices exclude \$ premium. Belgian dividend are after withholding tax.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Unit Trusts including: Brown Shipley & Co. Ltd., Henderson Administration, Priced Unit Tr. Mgrs. Ltd., Fidelity Mgmt. & Res. (BNA) Ltd., and others.

Table of Unit Trusts including: Fidelity Mgmt. & Res. (BNA) Ltd., Fidelity Mgmt. & Res. (BNA) Ltd., Fidelity Mgmt. & Res. (BNA) Ltd., and others.

Table of Offshore and Overseas Funds including: Fidelity Mgmt. & Res. (BNA) Ltd., Fidelity Mgmt. & Res. (BNA) Ltd., Fidelity Mgmt. & Res. (BNA) Ltd., and others.

Table of Offshore and Overseas Funds including: Fidelity Mgmt. & Res. (BNA) Ltd., Fidelity Mgmt. & Res. (BNA) Ltd., Fidelity Mgmt. & Res. (BNA) Ltd., and others.

APOLLO world's leading magazine of Arts and Antiques. Monthly price £1.50 Annual Subscription £18.00 (Inland) subscription £20.00. USA & Canada Air Assisted \$48. Includes a large '12.20%' discount graphic.

Table of Unit Trusts including: Fidelity Mgmt. & Res. (BNA) Ltd., Fidelity Mgmt. & Res. (BNA) Ltd., Fidelity Mgmt. & Res. (BNA) Ltd., and others.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds including: Abbey Life Assurance Co. Ltd., General Portfolio Life Ins. Co. Ltd., and others.

INSURANCE BASE RATES. Property Growth 11%, Cannon Assurance 9%. Includes a 'CORAL INDEX Code 417-422' and 'I.G. Index 01-351 3486. Three months copper 917-927'.

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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Stock	Price	Div %	Yield
British Funds (Lives up to Five Years)			
British Funds (Lives up to Five Years)	101.1	11.37	8.97
British Funds (Lives up to Five Years)	101.1	11.37	8.97
British Funds (Lives up to Five Years)	101.1	11.37	8.97

BANKS AND HIRE PURCHASE

Stock	Price	Div %	Yield
Five to Fifteen Years			
Five to Fifteen Years	106.8	10.70	10.70
Five to Fifteen Years	106.8	10.70	10.70
Five to Fifteen Years	106.8	10.70	10.70

INTERNATIONAL BANK

Stock	Price	Div %	Yield
International Bank	80.75	7.2	8.97

CORPORATION LOANS

Stock	Price	Div %	Yield
Corporation Loans			
Corporation Loans	89.1	10.36	10.36
Corporation Loans	89.1	10.36	10.36
Corporation Loans	89.1	10.36	10.36

COMMONWEALTH & AFRICAN LOANS

Stock	Price	Div %	Yield
Commonwealth & African Loans			
Commonwealth & African Loans	89.1	10.36	10.36
Commonwealth & African Loans	89.1	10.36	10.36
Commonwealth & African Loans	89.1	10.36	10.36

LOANS (Miscellaneous)

Stock	Price	Div %	Yield
Loans (Miscellaneous)			
Loans (Miscellaneous)	101.1	11.37	11.37
Loans (Miscellaneous)	101.1	11.37	11.37
Loans (Miscellaneous)	101.1	11.37	11.37

FOREIGN BONDS & RAILS

Stock	Price	Div %	Yield
Foreign Bonds & Rails			
Foreign Bonds & Rails	101.1	11.37	11.37
Foreign Bonds & Rails	101.1	11.37	11.37
Foreign Bonds & Rails	101.1	11.37	11.37

AMERICANS

Stock	Price	Div %	Yield
Americans			
Americans	101.1	11.37	11.37
Americans	101.1	11.37	11.37
Americans	101.1	11.37	11.37

CANADIANS

Stock	Price	Div %	Yield
Canadians			
Canadians	101.1	11.37	11.37
Canadians	101.1	11.37	11.37
Canadians	101.1	11.37	11.37

BUILDING INDUSTRY - Continued

Stock	Price	Div %	Yield
Building Industry			
Building Industry	101.1	11.37	11.37
Building Industry	101.1	11.37	11.37
Building Industry	101.1	11.37	11.37

DRAPERY AND STORES - Continued

Stock	Price	Div %	Yield
Drapery and Stores			
Drapery and Stores	101.1	11.37	11.37
Drapery and Stores	101.1	11.37	11.37
Drapery and Stores	101.1	11.37	11.37

ENGINEERING - Continued

Stock	Price	Div %	Yield
Engineering			
Engineering	101.1	11.37	11.37
Engineering	101.1	11.37	11.37
Engineering	101.1	11.37	11.37

ELECTRICAL AND RADIO

Stock	Price	Div %	Yield
Electrical and Radio			
Electrical and Radio	101.1	11.37	11.37
Electrical and Radio	101.1	11.37	11.37
Electrical and Radio	101.1	11.37	11.37

CHEMICALS, PLASTICS

Stock	Price	Div %	Yield
Chemicals, Plastics			
Chemicals, Plastics	101.1	11.37	11.37
Chemicals, Plastics	101.1	11.37	11.37
Chemicals, Plastics	101.1	11.37	11.37

ENGINEERING, MACHINE TOOLS

Stock	Price	Div %	Yield
Engineering, Machine Tools			
Engineering, Machine Tools	101.1	11.37	11.37
Engineering, Machine Tools	101.1	11.37	11.37
Engineering, Machine Tools	101.1	11.37	11.37

CINEMAS, THEATRES AND TV

Stock	Price	Div %	Yield
Cinemas, Theatres and TV			
Cinemas, Theatres and TV	101.1	11.37	11.37
Cinemas, Theatres and TV	101.1	11.37	11.37
Cinemas, Theatres and TV	101.1	11.37	11.37

DRAPERY AND STORES

Stock	Price	Div %	Yield
Drapery and Stores			
Drapery and Stores	101.1	11.37	11.37
Drapery and Stores	101.1	11.37	11.37
Drapery and Stores	101.1	11.37	11.37

BUILDING INDUSTRY, TIMBER AND ROADS

Stock	Price	Div %	Yield
Building Industry, Timber and Roads			
Building Industry, Timber and Roads	101.1	11.37	11.37
Building Industry, Timber and Roads	101.1	11.37	11.37
Building Industry, Timber and Roads	101.1	11.37	11.37

HOTELS AND CATERERS

Stock	Price	Div %	Yield
Hotels and Caterers			
Hotels and Caterers	101.1	11.37	11.37
Hotels and Caterers	101.1	11.37	11.37
Hotels and Caterers	101.1	11.37	11.37

INDUSTRIALS

Stock	Price	Div %	Yield
Industrials			
Industrials	101.1	11.37	11.37
Industrials	101.1	11.37	11.37
Industrials	101.1	11.37	11.37

Conversion factor 0.7188 (0.7148)

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DUSTRIALS - Continued

Table of industrial stock prices including companies like British Petroleum, Shell, and ICI.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices including companies like Rover, Jaguar, and BSA.

PROPERTY - Continued

Table of property-related stock prices including companies like British Land and National Westminster.

TRUSTS - Continued

Table of trust and finance stock prices including companies like Guinness and Anglo-Siam.

TRUSTS - Continued

Table of trust and finance stock prices including companies like Anglo-Siam and Guinness.

Advertisement for SUMITOMO HEAVY INDUSTRIES, LTD. with text: 'For ocean development, systems engineering, and environment protection.'

Table titled 'MINES - Continued' listing various mining companies and their stock prices.

Table titled 'AUSTRALIAN' listing Australian stock prices.

Table titled 'TINS' listing tin-related stock prices.

Table titled 'MISCELLANEOUS' listing various miscellaneous stock prices.

Table titled 'COPPER' listing copper-related stock prices.

Table titled 'RUBBERS AND SISALS' listing rubber and sisal stock prices.

Table titled 'TEAS' listing tea-related stock prices.

Table titled 'CENTRAL RAND' listing Central Rand stock prices.

Table titled 'EASTERN RAND' listing Eastern Rand stock prices.

Table titled 'FAR WEST RAND' listing Far West Rand stock prices.

Table titled 'O.F.S.' listing O.F.S. stock prices.

Table titled 'FINANCE' listing finance-related stock prices.

Table titled 'DIAMOND AND PLATINUM' listing diamond and platinum stock prices.

Table titled 'REGIONAL MARKETS' listing regional market data.

Notes and additional information at the bottom right of the page.

Table titled 'NEWSPAPERS, PUBLISHERS' listing newspaper and publisher stock prices.

Table titled 'TEXTILES' listing textile-related stock prices.

Table titled 'SOUTH AFRICANS' listing South African stock prices.

Table titled 'PROPERTY' listing property-related stock prices.

Table titled 'TOBACCO' listing tobacco-related stock prices.

Table titled 'TRUSTS, FINANCE, LAND' listing trusts, finance, and land stock prices.

Table titled 'INSURANCE' listing insurance-related stock prices.

Table titled 'PROPERTY' listing property-related stock prices.

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Cruising means

HOLLANDIA

HOPE
 The Spanish name for
SHERRY

MAN OF THE WEEK

A slightly cherubic realist

BY RUPERT CORNWELL

IT IS POSSIBLE that the political map has been changed for good by the events of this last week. Only possibly, because the implications of the agreement between the Liberal and Labour Parties will only become clear with time, and on Day Three of the "New Era" reactions are still mainly partisan. For the Conservatives, cheated of an election they would probably have won, it is a sell-out; among Left-wing custodians of Socialist principles, the feeling is much the same. In British political life above all, tradition and precedent do not easily lie down.

For equally partisan reasons, however, David Steel does not agree. Realignment at Westminster—dream or nightmare as you wish—he feels has been



David Steel: realignment nudged a step nearer

nudged a significant step nearer, and the two-party system which has ruled for centuries eroded a little bit further. It is an analysis on which not only his own political future, but that of the Liberal Party he leads, depends.

At first sight, it is an unlikely pair of bands in which to place so momentous a gambit. Steel has allied today a bit from the skinny and boyish 26-year-old in fading newspaper pictures, who was the baby of the House when he captured the seat of Roxburgh, Selkirk and Peebles from the Tories in a 1965 by-election upset. But even today he still looks slightly cherubic, too young and inexperienced to lead a major party.

Parliament soon learnt otherwise. An MP for barely two years, Steel became what one headline described as "the most insulted man of the year" for his success in plotting on the Statute Book his famous private member's Bill reforming the abortion law. It was a single-handed feat that demanded not only courage and stamina but great political nous. The 26-year-old son of a Scottish minister was dubbed "Herod" for his "Ten years later his nickname is 'Judas'."

Yet the great betrayal that his deal with the Government is held to represent can have come as no surprise whatever to any Steel watcher of the past two or three years. He has always held the view, heretical to his party's old guard, that the only way for the Liberals to re-establish themselves as a serious political force was via coalition.

Steel in his own quiet way had fixed it, as he hopes he has fixed with that infinitely canny campaigner Mr. Callaghan. The Parliamentary Liberal Party swung round unanimously to the deal. Whether Liberal workers in the country will be so easily won over is another matter, and Steel admits they are probably to the right of the 13 MPs at Westminster.

In style too the break with old liberalism is equally sharp. The new leader is a less instantly saleable figure than his predecessor, the bubbling and flamboyant Jeremy Thorpe; nor has he the commanding presence of Jo Grimond, with his dynamic links to the liberal past by marriage to the granddaughter of Asquith. At the top at least the age of the dilettante is over and that of the professional noder way. Jeremy Thorpe was always identified with traditional country house and salon politics, but Steel is of a different cut—almost irritatingly ordinary in his private life which is centred on his wife and three children and his home at Strick Bridge. It is set in the border country two hours south of Edinburgh and in the heart of his Westminster constituency, which with a majority of 7,433, is reckoned to be the safest Liberal seat of all.

He is tough as well. But whether he was tough enough to wring his terms out of the Prime Minister in those vital meetings only time will tell. He is realist also, and acknowledges that the Liberals could either be a Labour failure or be cruelly deserted the second Mr. Callaghan thought it was in his interest. Goliath, as he puts it, could kill David.

Pakistan opposition leaders arrested

BY IQBAL MIRZA KARACHI, March 26.

SENIOR LEADERS of the opposition Pakistan National Alliance, grouping nine political parties, were arrested today after refusing to enter into a political dialogue with Prime Minister Zulfikar Ali Bhutto. Those arrested included Mr. Maulana Mufi Mahmud, the PNA President, and Prof. Ghafoor Ahmed, its Secretary-General. In all, about two dozen leaders were arrested in a series of raids, before dawn.

The opposition claims that Mr. Bhutto rigged the recent general election to return his Pakistan People's Party to power, and has demanded his resignation and fresh elections.

The PNA has called a general strike for tomorrow to protest against the convening of the newly-elected National Assembly, which the Alliance is refusing to recognise. In reply, the Government today warned that the army would shoot on sight any demonstrators attempting arson, looting, sabotaging, disrupting transport and communications, or damaging property.

The Government also extended to Karachi's Drigh Colony in the East District a curfew which has, since last Saturday, restricted movement in the industrial districts of Landhi and Korangi, and the whole of Karachi's West District for all but a few hours daily.

Before his arrest, Prof. Ghafoor Ahmed told a Press conference in Lahore that, while Mr. Bhutto was intent only on preserving his position through bargaining for National Assembly seats, the Alliance was struggling not for the seats but for the supremacy of the constitution and the restoration of the people's rights.

The polls on March 7 were "no elections at all," and this was why the nation was making a unanimous demand for fresh elections, he said.

He appealed to unions, students, lawyers, traders and industrialists to support the alliance in its strike call and hence its fight to uphold the constitution.

Pakistan's leading legal associations have supported the protest—the Punjab Bar Council, the Lahore High Court Bar Association and the Karachi High Court Bar Association all passed strongly worded resolutions denouncing the March 7 polls and demanding new elections.

The Lahore High Court Bar Association said the Prime Minister has lost the confidence of the nation, and warned members of the National Assembly that their attendance at the session in Islamabad tomorrow would invite the people's anger.

The Punjab Bar Council resolution said the March 7 elections were rigged and demanded that they be annulled. The Karachi Bar Association passed a resolution demanding the lifting of the state of emergency, repeal of restrictive Press laws, restoration of fundamental rights, repeal of the Defence of Pakistan Rule, restoration of constitutional powers of the Superior Court and release of all political prisoners.

Drive to cut rate resisted by Bank

BY MICHAEL BLANDEN

THE BANK of England again resisted market pressures towards lower short-term interest rates yesterday by holding its Minimum Lending Rate at 10 1/2 per cent.

Official caution on interest rates also helped to bring a slight setback in the gilt-edged market, where dealings were marked by the active start of business in the new long-dated stock which was heavily over-subscribed on Thursday.

The new £800m. stock, with the unusual feature of requiring only £15 of the £96 per cent. issue price to be paid on application, attracted strong demand at the issue. Yesterday it opened at par and touched a premium of 5/16 before coming back to close at a premium of 3/32 over the issue price.

Treasury bills

Overall, the long end of the market closed with price falls of up to 1 with the Financial Times Government Securities Index down 0.24 to 69.25. To the 10 1/2 per cent. Bank of England again had to use its powers to override the normal market-related formula for determining the rate.

The level of the average rate on Treasury bills at the weekly tender would on the formula have produced an MLR of 10 per cent.

A cautious attitude by the Bank on rates just ahead of the Budget was demonstrated on Thursday, when its intervention in the money markets gave a clear signal that it would prefer not to see any significant further reduction.

£30m. loan tranche for Leyland

By Terry Dodsworth

A FURTHER portion of the £100m. loan tranche made available to British Leyland from State funds last year was authorised for release to the company by Mr. Eric Varley, the Industry Secretary, yesterday.

Leyland has already taken up £30m. of the loan from the National Enterprise Board, which is its major shareholder and source of funds.

But the £30m. signed off by Mr. Varley comes under separate Industry Act legislation: a device used to allow the NEB to conserve its own funds. The company is expected to take up the £30m. and the outstanding £20m. from the NEB within the next few days.

Shell application could add 3p to petrol price

BY RAY DAFTER, ENERGY CORRESPONDENT

SHELL U.K., one of the main suppliers of oil products in Britain, has applied for a new round of price increases which could add 3p a gallon to the pump price of petrol.

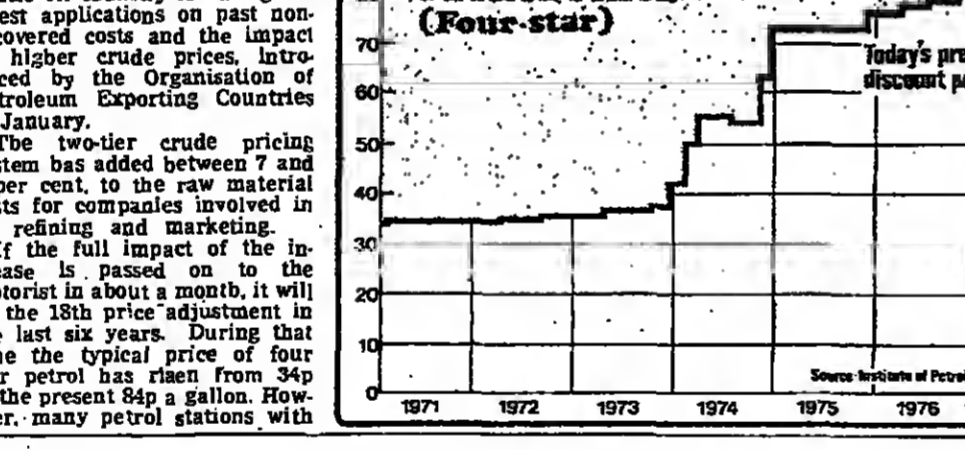
The group is seeking Price Commission approval for an average increase of 2 1/2p a gallon across the full range of products, from industrial fuel oil to petrol and home heating oil. Value added tax and possibly adjustments to dealer margins could push the price of four star petrol up by about 3p a gallon, assuming Shell believes that the market can absorb the rise.

Other companies are expected to follow Shell, which submitted its application late yesterday afternoon. BP Oil, National, and Esso, among the market leaders, will probably seek a similar increase early next week.

The oil industry is basing the latest applications on past non-recovered costs and the impact of higher crude prices introduced by the Organisation of Petroleum Exporting Countries in January.

The two-tier crude pricing system has added between 7 and 8 per cent. to the raw material costs for companies involved in oil refining and marketing.

If the full impact of the increase is passed on to the motorist in about a month, it will be the 18th price adjustment in the last six years. During that time the typical price of four star petrol has risen from 34p to the present 64p a gallon. However, many petrol stations with



Vance giving Russia plan to reduce nuclear weapons

BY DAVID BELL WASHINGTON, March 25.

MR. CYRUS VANCE, the U.S. Secretary of State, is expected to take a major American proposal to Moscow this week-end which, if approved by Washington and the Soviet Union, would sharply reduce the number of nuclear weapons that each side would be allowed.

It emerged here today that when President Carter referred yesterday to a "substantial reduction" in overall nuclear weapons, he was referring to a U.S. proposal that the present suggested limit on nuclear weapons, 2,400 for each side, be cut to about 1,500.

Although the President did not reveal the full U.S. negotiating position, it appears that the Americans intend to tell Moscow that they realise that such a reduction will require long and arduous negotiations. Meanwhile, the U.S. apparently will press for a quick agreement on the 2,400 ceiling, tentatively accepted during the Soviet-American talks in Vladivostok in 1974.

But the Americans will not be prepared at this stage their Cruise missile, a highly accurate, low-flying weapon which can carry either a conventional or nuclear payload over a range of 1,500 miles.

Washington is apparently holding the missile as a bargaining tool to persuade Russia to accept the bigger reductions in overall weapon levels.

This determination to protect the Cruise for the moment may suggest that some extent accepted the argument of the Joint Chiefs of Staff and Senator Henry Jackson that the missile is a very significant addition to the U.S. armory, and that if it is to be sacrificed America must extract major Soviet concessions in return.

The preliminary Russian response to this approach appears to have been extremely unfavourable, the more so because Russia is concerned about the potential of the Cruise missile, and wants to include it in the negotiations with, or without the Soviet Backfire bomber.

Dr. Kissinger, the former Secretary of State, used to talk of a "trade-off" between the Backfire and the Cruise, but the new Administration appears determined not to allow such a thing.

State Department officials conceded that the Russian response has been what one described as "a little short of appopleptic."

Their reaction may indicate that there will be little room for manoeuvre when the two sides get down to negotiations next week, particularly since the Carter Administration seems unwilling even to postpone developments in detail while both sides examine if detailed negotiations on real weapon reductions are likely to be successful.

David Satter writes from Moscow: The Soviet Union expressed confidence today that U.S. Soviet relations will eventually run a satisfactory course, in a generally optimistic commentary summing up the Soviet position on the eve of the arrival of Mr. Vance in Moscow.

The Soviet news agency Tass said "the international public" believed that, despite the present "stagnation" in U.S.-Soviet relations, bilateral relations would improve and the interests of the preservation of peace prevail.

The first priority in U.S.-Soviet relations was achievement of the second stage strategic arms limitation agreement, and further advance on this basis to mutual arms reduction.

Threat of Left-wing row over Steel pact fades

BY RUPERT CORNWELL, LOBBY STAFF

THE THREAT of an emergency meeting of Labour's National Executive Committee appears to be receding—and with it the prospect of a damaging confrontation between the Prime Minister and Left-wingers critical of his agreement with Mr. David Steel.

A letter requesting Mr. Ron Hayward, the party's general secretary, to convene the Left-dominated committee to discuss the deal with the Liberals had not received by last night the signatures of a majority of the executive's 28 members.

Should the demand for materials—and the outcome will not be clear until after the weekend—it will be undoubtedly a considerable relief for Mr. Callaghan.

The next full session of the NEC is not due until April 27, by when feeling among the Tribune Left should have subsided.

Although the bulk of his own Left-wing seems ready to give the Prime Minister a suspicious benefit of the doubt, the fact that it was the Liberal leader who wrested the first public commitment to a Bill on direct elections to Europe, against Labour conference policy, is deeply resented nonetheless.

The Government's counter-offensive to still the doubts of its back-benchers who fear that freedom of action has been surrendered to the last night by Mr. Merlyn Rees, the Home Secretary, one of Mr. Callaghan's closest colleagues.

He emphasised at a constituency dinner in Leeds that Wednesday's agreement involved no abandonment of principle and contained no hidden clauses of co-operation with the Liberals at constituency level.

"They oppose us in all parts of the country, and we oppose them. Their local candidates show little sign of liberalism, and have often behaved in ways which have been personally—let alone politically—disagreeable."

It was a parliamentary and not a party arrangement, Mr. Rees said.

Mr. Jeremy Thorpe, the Liberal Party's former leader, said in Devon last night that the deal was in the national interest.

All steel output to end next week at Port Talbot

BY ALAN PIKE, LABOUR STAFF

THE BRITISH Steel Corporation yesterday began immediate steps to close down its Port Talbot works in South Wales, where more than 13,000 are employed, after 400 electricians voted to continue a strike.

All production will have come to a standstill by Tuesday morning.

The electricians claim that the erosion of pay differentials—on which they say they have been trying to negotiate for two years—has left a £10 gap between their wages and those of technicians with similar skills. Their strike started after the suspension of five men on Thursday and a mass meeting yesterday decided to continue the action and not meet again until next Friday.

British Steel said in a statement that from Tuesday morning Port Talbot will be manned only for safety purposes. This means that most of the complex's 9,000 manual workforce can expect to be laid off.

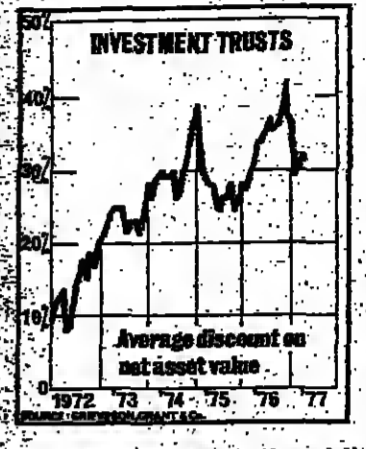
Port Talbot works, which the Government recently decided is to undergo a major development programme, has a capacity of about 60,000 tonnes per week, although it is producing below strike level at present.

THE LEX COLUMN

Ford's two-tonned profits model

The 1976 annual report from Ford U.K. features not only a spectacular profits improvement

Index fell 3.3 to 418.1



from £14.1m. to £121.6m. pre-tax on the conventional historical cost basis—but also the suggestion that current cost profits were only £25.1m. "The directors claim that this latter figure 'more accurately' reflects the trading results of the group. Ford is by far the largest and most important company to have produced full current cost accounts so far. But its move runs the risk of embroiling the technical matter of inflation accounting in a propaganda battle over appropriate levels of profit.

For the Ford results demonstrate just how well-run companies, especially exporters, can have benefited from recent Government concessions. While the group's wages bill, thanks partly to the Pay Code, rose by 19 per cent., sales jumped by 22 per cent. (slightly faster, in fact, in the home market taken separately). Only £7m. of tax is payable. Cash flow, on the historical cost basis, has more than tripled to £160m. Deferred tax is financing more than a fifth of capital employed.

So why does the CCA profit come to be so low? It hardly makes sense in the context of a £74m. improvement in liquidity at a time of rising activity. A large part of the explanation lies in the fact that, in accordance with the Morphet Group's accounting standard ED13, the cost of sales deduction is charged in relation to stocks, which at the year-end were £370.4m. But this ignores the very substantial finance which, curiously, Ford obtains from not being £133m. more than debtors. Shareholders' funds, admittedly, on the favourable assumption that tax can be mostly ignored, rose by 33 per cent. Ford seems to recognise that the £25.1m. figure is not the end of the story: after allowing for the debt-financed proportion of assets, the directors have decided that the amount available for distribution is £67.4m.

Investment trusts

Despite all the bid and merger activity in the investment trust industry, the sector's performance over the past few months has hardly been sparkling. After reaching a peak in early November the average discount on investment trusts

built up their own departments, start directly overseas, where near as via an investment intermediary, as they initiative is now, in such as the Pension funds, around £150m. per invest, and are ap interested in the being snubbed in Trust in the recent

Beaverbrook

Last summer's price rises cost around £5m. a year latest increase amounted to £1.5m. Against this, the of cover price the be worth about Beaverbrook expansion both with volume of advert could be as much higher than a year with the sales of Express. But it is question whether to be in the black for a whole, having pre-tax in the six December.

However, the im balance sheet has than offset by the of a property in £ lifts net assets a sh and cuts into last s rowings of £11m. as though Sir James holding upwards of the non-voters Cavenham subsidia to have to sit on the moment.

Pye

A massive recovery—from £10.9m. pre-tax a fifth ahead of losses in the were held to at half-time, communications divisions, made rapidly. A jump charge to 49 per earnings per share changed at 10.5p, could tell a very diff The sale of the pr summer side to Phil to bring in some £2 compares with £30.3 borrowings of £30.3 something like 3p earnings. The shar further 8p to 64p y

Weather

U.K. TODAY
 RAIN at times. Bright intervals. London, S.E. E. and Cent. N. England, E. Anglia, E. Midlands. Rather cloudy, occasional rain. Wind S.E., moderate. Max. 10C (50F).
 Cent. S. and S.W. England, E. Midlands, Channel Is., Wales. Showers and bright intervals. Wind S.E., fresh. Max. 11C (52F).
 N.W. and N.E. England, Lakes, L. of Man, Borders, Edinburgh, S.W. and N.W. Scotland, Glasgow, Cent. Highlands, Argyll, N. Ireland.
 Cloudy, rain in places. Wind E., moderate. Max. 9C (47F).
 Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetland. Wintry showers, bright intervals. Wind N.E., fresh. Max. 4C (30F).
 Outlook: Colder. Showery.

BUSINESS CENTRES

City	Y day	Y day
	mid-day	mid-day
Amsterdam	C 5	5
Antwerp	C 5	5
Bombay	F 15	15
Brussels	F 15	15
Calcutta	F 15	15
Canton	F 15	15
Cebu	F 15	15
Colon	F 15	15
Hankow	F 15	15
Harbin	F 15	15
Hong Kong	F 15	15
Kobe	F 15	15
London	F 15	15
Lyons	F 15	15
Manila	F 15	15
Medan	F 15	15
Osaka	F 15	15
Paris	F 15	15
Shanghai	F 15	15
Singapore	F 15	15
Tokyo	F 15	15
Yokohama	F 15	15

HOLIDAY CENTRES

City	Y day	Y day
	mid-day	mid-day
Alicante	S 15	15
Algeria	S 15	15
Barcelona	S 15	15
Bombay	S 15	15
Buenos Aires	S 15	15
Canton	S 15	15
Cebu	S 15	15
Colon	S 15	15
Hankow	S 15	15
Harbin	S 15	15
Hong Kong	S 15	15
Kobe	S 15	15
London	S 15	15
Lyons	S 15	15
Manila	S 15	15
Medan	S 15	15
Osaka	S 15	15
Paris	S 15	15
Shanghai	S 15	15
Singapore	S 15	15
Tokyo	S 15	15
Yokohama	S 15	15



King George's Fund for Sailors looks after them

In this Country of ours, there is no-one who is not connected with the sea.

Half the food we eat comes from across the Many thousands of us, our relatives or friends' past or present members of one of the sea-faring services, or of an industry dependent on them.

There are many charities for seafarers and their families. One, only one, however, is the central charity collecting and providing funds for other seafarers' charities, and with making sure the money is distributed where it can be of most use.

That central charity is King George's Fund for Sailors. Launched in 1917 at His Majesty's personal wish, KGFS distributes funds without distinction of service, of rank or of creed. The sole criterion is distribute the money to the areas of greatest need.

When you want to remember our seafarers who are in need—remember King George's Fund for Sailors. We'll see to it that not one penny of your money goes to waste.

Please send your donation to:

KGFS King George's Fund for Sailors
 1 Chesham St., London SW1

THE FUND FOR CHARITIES THAT SUPPORT SEAFARERS IN NEED AND THEIR